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NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE

National Municipal League

Vol. XIV, No. 12 DECEMBER, 1925 TOTAL No. 114

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THE LEAGUE'S BUSINESS

The Pittsburgh Program occasioned lively interest among the members and friends of the League. The people who attended—and there were many—went away from the meeting with a better understanding of the work of the League and governmental problems with which it deals. The attendance reached about 500 at the luncheons and about 200 at the morning and afternoon sessions. Some of the high spots of the two-day program are noted below.

⚜

Walter Lippmann's Address brought together the largest crowd during the meeting. Mr. Lippmann sketched a number of political and social scenes in his elucidation of public opinion. Perhaps his most vivid picture was that of the new generation of Tammany politicians. Although the sons of thick-skinned, heavy-jowled grafters of the barrooms, they are unlike their fathers; they are university trained lawyers and business men, sensitive to criticism and alive to the opinion of the people. In view of this change in the character of the political bosses, Mr. Lippmann recommended for each city an independent newspaper and an independent fact-finding agency to supply the editors with reliable information about the government. This met with the hearty approval of the entire convention. Mr. Lippmann's speech will be published in full in the January issue of the Review.

⚜

Other Addresses and Papers.—Thomas Adams' address on regional planning threw new light on this tangled problem. R. S. Childs showed his usual skill in handling the subject "Influencing Public Opinion." Walter J. Millard, known as the battle-scarred veteran of many campaigns, presented a fresh point of view on charter campaigns. C. A. Dykstra of Los Angeles juggled with private and municipal ownership of public utilities, showing his accustomed dexterity. Lent D. Upson showed how promoters of bureaus of governmental research might go out on Main Street and by a little hand shaking and getting acquainted with "the boys" sell their ideas regularly and consistently to the public. Harland Bartholomew of St. Louis described the steps that should be taken to secure the adoption of a satisfactory city plan. Mayor Magee of Pittsburgh, during the discussion, expressed his appreciation of city planning as an art and referred to his difficulty in securing the execution of a plan. Alfred Bettman told how Cincinnati with the aid of its civic body put over its plan. Thomas H. Reed and Paul Studensky pointed out the problems of government in metropolitan regions. Joseph T. Miller sketched briefly the problems of Allegheny County. Lawson Purdy drew a clear-cut picture of Kansas City before and after the development of the park system, a system which took the place of open sewer ways and was financed by means of special assessments.

⚜

The Hosts.—To the Civic Club of Allegheny County, especially to Mrs. William Thaw, Jr., Horace Forbes Baker, and H. Marie Dermitt, the League is grateful for the thoughtful consideration that was given to all the details of the convention.

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EDITORIAL COMMENT

William Allen White on the Budget System

A little while ago the nationally-known editor of *The Emporia Gazette* wrote us a letter in which he made the following comments on the budget system:

> I do wish you to know, and your readers to know that I think, at this time, one of the vital issues of our politics is the budget system. For thirty years in American politics, we have been going through a great bloodless revolution, changing our attitude toward government in many important areas, turning out corruptionists in cities and states, breaking machines local, state and national, and now we are in the position of an army that has just won a decisive victory. We must straighten out our lines. We must mop up. We must entrench. And the only way to correlate all government of life is to install the budget system. It will be the victory of the people in their fight for self-government which began in the nineties, a sure and lasting victory.

Mr. White has so dramatized the campaign that we are ready to join forces with him and start to "dig in" for the final battle.

*

Recent Municipal Elections

The municipal contests decided at the election on November 3 largely overshadowed all others. In New York City, James J. Walker, the Tammany candidate, was elected mayor over Frank D. Waterman, the Republican-Citizens candidate, by a plurality of more than 400,000 votes. The victory was complete and overwhelming; practically every elective office, from the highest to the lowest, in New York City was filled by a Democrat.

The Boston election was perhaps the most surprising. Ten candidates ran for mayor. Among these were several brands of Democrats and one Republican. The Republican, Malcolm E. Nichols, was elected by a plurality of 21,000 votes. He is the first Republican mayor of Boston to be elected in 18 years. Nine of the 22 councilmen are also Republicans. Mr. Nichols is regarded by those who know him as an educated and competent man. The worst "charge" against him is that he was born in Maine. The Good Government Association and many Democrats favored him in the election.

In Buffalo Mayor Frank X. Schwab was re-elected. He received the largest vote ever polled by a municipal candidate since the commission form of government began in 1914. He beat by 22,000 the candidate believed to be blest by the favor of the K. K. K. In Detroit Mayor John W. Smith, a Catholic, was re-elected by a large majority over the avowed candidate of the Klan. In Louisville, Kansas City, Pittsburgh and Indianapolis there were hot contests for the office of mayor. Kansas City held its first election under

the new manager charter. There were also spirited elections in Cincinnati and Cleveland, which are noted below.

*

P. R. Elections in Cleveland and Cincinnati

On November 3 the second councilmanic election under P. R. was held in Cleveland. Twenty-five councilmen were selected from four districts in which a total of 47 candidates ran. Nothing unusual seems to have developed as a result of the election; many of the old councilmen were re-elected. Of the election, the *Cleveland Plain Dealer* for November 5 says:

> The old bi-partisan coalition retains control of the council as a result of the election, but the public has reasons for confidence that it will not interfere with the proper functioning of the manager's office. Without being either a candidate or an advocate in the campaign Manager Hopkins found himself the leading figure in the fight. He emerges from it stronger than before.

In Cincinnati the first election for councilmen was held under the new city manager charter. Nine councilmen elected at large by P. R. were chosen from a total of 39 candidates. The majority of those elected were candidates of the city charter committee, which sponsored the new charter. *The Enquirer*, a Cincinnati paper which is unfriendly to the idea of P. R., said of this election:

> On the ballot containing the names of the 39 candidates for members of council, the voters were asked to vote not with crosses, but by grading numerically their favorite candidates up to nine, in accordance with a highly complicated system of vote-recording which, when all is said and done, is only decipherable by a trained auditor, a certified accountant, or an expert mathematician. What congenial mental exercise the mathematicians and accountants must have had yesterday in casting their votes!

*

New York Amendments Adopted

The adoption of the four amendments to the New York state constitution is a victory for Governor Smith. Prior to the election, he made a speaking tour of the state in behalf of these amendments. Although all the amendments had been accepted by a Republican legislature, the up-state Republican organization openly opposed the two amendments which authorize bond issues, and carried on what Governor Smith called a "whispering campaign" against the other two, which provide for the reorganization of the state administration and the judiciary system. Several leading Republicans, however, approved the two reorganization amendments and the bond issue of $300,000,000 for grade crossing elimination. The strongest fight was waged over amendment number one, which provides for the issuance over a period of ten years of $100,000,000 for a state building program. This amendment received an affirmative majority which may prove to be less than 30,000 when all the returns from up-state are in. The affirmative majority for each of the other amendments is estimated to be more than 100,000. New York City piled up a large majority for each of the amendments, but this was cut down by the negative vote of the up-state section.

*

Rochester Adopts the Manager Plan

The manager plan was adopted by Rochester (N.Y.) by a majority of some 13,000 votes. This was the result of a hard fought campaign in which the local Bureau of Municipal Research and the City Manager League did valiant service. The opposition made capital of the fact that only recently the city manager plan had been defeated in both Schenectady and Yonkers. The leading papers of Rochester supported the proposed plan and during the week preceding the election carried front page articles explaining the city manager charter. This charter will become fully effective on

January 1, 1928. We hope to have an article telling about this campaign in the next issue of the REVIEW.

*

Personality in Municipal Administration

Heretofore we have been too much concerned with the form and methods of municipal administration. We have largely overlooked the human elements. The results attained in the administration of the complex problems of present-day city government depend to no small extent upon the personality and ability of the administrator. This is especially true under the city manager plan, where the manager is directly responsible for the success or the failure of the administration.

With these things in mind, we asked Norman Shaw of the *Cleveland Plain Dealer* to write an article on "Cleveland's City Manager." This article appears in this issue of the REVIEW.

*

Court Decision Curtails Comptroller General's Power

The District of Columbia Court of Appeals has recently decided that J. Raymond McCarl, comptroller general of the United States, is not any longer the judge, jury and executioner in cases where he claimed the right to deduct from the pay of naval officers to reimburse the government for alleged erroneous allowances drawn by these officers.

The case came before the Court of Appeals on Mr. McCarl's appeal from an injunction order signed by Justice Hoehling of the District of Columbia Supreme Court, in a suit filed by Commander John F. Cox, U. S. N. Commander Cox is the first of about 100 naval officers to take issue with the comptroller general. The Court upheld the declaration of Justice Hoehling that Congress said how much pay a naval officer should receive, and that no officer of the government could touch it. "The power to 'dock the pay' of any government officer rests with Congress alone," said the Court. In holding that the comptroller general had no power to withhold pay, the Court called attention to a decision of a federal circuit court which reminded a government accounting officer that "there can be no such autocrat."

To compensate somewhat for the loss of the Cox case, the Court of Appeals rated Mr. McCarl as winner in two minor cases in which the rulings were questioned.

Mr. McCarl has recently become the stormy petrel of the government service. His decisions refusing to sanction payments by federal officers have caused much discussion. It is likely that he will be the subject of much criticism when Congress meets. Several suits have been entered against him.

*

As the English See Father Knickerbocker

New York City's mayoralty campaign, which resulted in the election of James J. Walker by a plurality of 401,000 votes, is discussed in *The Municipal Journal*, a London publication. The point of view of our English onlookers in this instance is worth noting; it should help us to see ourselves as others see us. Tammany Hall and the political elements of the city are vividly portrayed. The political conflict between the city and upstate New York is sketched into the picture. Finally the composite picture of the city is presented thus:

> The city of New York presents many complications and difficulties. While it is the greatest city in America, it is not an American city. It is the largest negro city in the world; it is the greatest Jewish city; it has more Germans than some German capitals; and it has more Italians than Naples. All races of the world are represented in New York. It is the melting pot

through which Americans in the making must pass. The majority of the population still remain foreign in language and sentiment, and are unaccustomed to popular elections and democratic institutions.

✤

Court Decision Ends New Jersey Zoning

The Court of Errors and Appeals, the court of final resort in New Jersey, has ruled adversely on zoning regulations. Since this ruling, the communities of that state regard their zoning system as having been practically cast into the scrap heap. The Court's ruling was made up pretty much along the lines the Associate Justices had laid down. The right of a person to put upon his lot any building that is not a legal nuisance or a menace to the health or safety of the community was reasserted. The Chief Justice ran in one point that had not been so sharply stated before in the discussions. He said that the purchase of a piece of property and the erection of a building upon it did not give the purchaser the right to say what kind of structure some future purchaser must put on a nearby site; that the buyer takes the chances in the buying and is only unfortunate if he loses in the game.

✤

Federal Use of City and County Jails

An investigation conducted by Hastings H. Hart of the Russell Sage Foundation shows that the United States government with no jails of its own is using one-third of all the city and county jails in the country without paying rent, and is boarding out more than 7,000 prisoners—including many who are merely awaiting trial—to local jails over which the federal government has no control. Many of these jails are extremely overcrowded and very unsanitary. During the past year conditions were studied in the 893 city and county jails and workhouses in which federal prisoners are kept. Dr. Hart suggests, as a remedy, that the federal government establish a jail system of its own, each jail to serve a territory with a radius of 50 miles, beginning with the points on the Canadian and Mexican borders where there is at present the greatest congestion of federal prisoners, and extending the system until the government has jails of its own in all thickly settled sections of the country.

CLEVELAND'S CITY MANAGER

BY NORMAN SHAW

In reconstructing city governments we have been concerned chiefly with form and methods; we have largely overlooked the human factors. This article tells how the personality of the manager dominates the city affairs of Cleveland, even to the extent of reversing the theory of the manager form of government. :: :: :: :: :: ::

About five years ago the city of Cleveland discovered itself growing weary with the continued unhealthy state of municipal organization and bad government which had clouded its civic horizon for nearly a decade. The citizens stopped for a moment to look around, read the ledger and then the horoscope, thought through the city's future, decided that the only remedy would be to make a radical change, and voted in a great experiment.

"We shall try the latest thing in municipal government," city leaders said, "city manager, proportional representation, a non-partisan council, and all the trimmings. We shall clean house thoroughly, reorganize on a business basis, get a capable and experienced executive for a manager, pay him as much as the mayor of New York, give him a big car and a chauffeur, and see what happens."

The trial was on. In November, 1921, the new charter, handiwork of Augustus R. Hatton of Cleveland and backed by the independent Committee of One Hundred, was passed with a fair majority. Two years later the first council was elected, under the Hare system of proportional representation. It elected William R. Hopkins of Cleveland, railroad man and real estate operator, city manager, and he took office on January 1, 1924.

ACCOMPLISHMENTS OF THE CITY MANAGER

What has been the result? In the first year the city saved over half a million dollars from its income, expanded all services, broke street paving records and did it at a lower cost, brought the mall project for a civic center nearer completion, removed lakefront eyesores, rehabilitated the parks, greatly increased the police force, increased and modernized its equipment, and created a women's police bureau. The second year produced an air field second to none in the country, great advancement in union station plans, organization of a metropolitan council, further increases in paving, street widening, and building, with financial records of the twelve months yet to be completed.

More than that. Badly run down city property and seriously disorganized personnel have been rehabilitated. A distinctly new energy pervades the entire municipal organization, and a civic spirit unknown since the days of Tom L. Johnson has in many ways made itself felt.

Commenting on this first year, the *Cleveland Plain Dealer* said: "While saving is important, most citizens will agree that a far higher compliment is to be found in the quantity of constructive work done during the twelve months." The year, says a bulletin of the Citizens' League, of which Mayo Fesler is director, "presents a picture of real economy and efficiency which speaks strongly for the success of the city manager's administration . . . Mr. Hopkins and his directors have had a better record of actual accomplishment than can be attributed to any

administration in this city in the past fifteen or twenty years."

The two years, then, have proved city managing an overwhelming success, and the man who is first of all responsible for it is William Rowland Hopkins. Two years ago he found himself suddenly pulled from private life into the whirl of city politics, given $40,000,000 a year to spend, a government to reorganize, and a million sceptical townsmen to satisfy as to every step he took. His triumph was immediate and complete, not only in the practical way outlined above, but in winning for himself and for the theory of government he represents, the highest confidence and praise.

THE MANAGER AND THE LATEST ELECTION CAMPAIGN

This fall when the second council under the new city manager charter came to be elected, not a campaign issue was to be found, so completely had the personality and success of the manager overshadowed every phase of municipal politics. With scarcely an exception, the candidates for office sought re-election on the basis of the success of the Hopkins administration, and hardly a word was spoken against him. As long as the candidate declared for Hopkins, no further questions were asked by the voting public.

The Democrats and Republicans, who were for all intents and purposes merged in one organization, neither endorsing a full slate of candidates, laid low during the campaign, generally refused to speak, declare their programs, or enter public discussions. They tried to return to office because they had elected Hopkins. "Recommend Hopkins? By all means," said Maurice Maschke, county Republican chairman, speaking of his endorsements. "Didn't we choose him?" To which the Democrats replied a week later with the platform statement: "This party rejoices in the fact that its representatives in the council shared in the selection of W. R. Hopkins as city manager." The independents, not to be outdone, immediately assured the public that they, too, would stand behind Hopkins, and accused the party organizations of actually opposing him because they had led the opposition to the new charter in 1921, and fostered the movement to weaken it last August by doing away with proportional representation. Beyond that, any effort they made to talk issues met with no response.

The campaign, like the two years of city government which preceded it, saw and heard of almost nothing but Hopkins.

HOPKINS' PERSONALITY AND CAREER

Who, then, is William Rowland Hopkins? By what power of intellect or personality has he succeeded in reaching this position of prominence? Is he merely a politician, or also an able executive? Is his knowledge of city government and administration superficial, or really thorough and exhaustive?

"Will" Hopkins is now 56 years old, of medium stature, slightly heavy built, with dark hair not yet turned gray or very thin. He has a quick step and a ready smile, with a manner always agreeable and pleasant, but he is not talkative. He possesses an imagination that can conceive a great city of the future, a business head that knows what should be done toward bringing it about, and a reserve which is ready to meet the routine or the disappointments of a day's work.

Hopkins was born July 26, 1869, at Johnstown, Pennsylvania, of Welsh descent, and third in a family of ten. He came to Cleveland at the age of 15, worked in a steel mill until he had

enough money to go through college, graduated from Western Reserve University, and then, in 1899, from its law school. He served one term in the city council, being elected before law graduation, two terms on the board of elections, was once deputy United States marshal, and once county Republican chairman.

Most of his life has been spent in business. With his brother Benjamin he planned, financed, and built the Cleveland Belt Line railroad around the city, sold the line to the New York Central, and operated the Belt and Terminal Realty Co. which sold factory sites along the route. For years he was active in the Cleveland Underground Railroad Co., which sought franchises for the construction of subways throughout the city, but was finally forced by the World War to abandon its project. He was prominent in business circles, but little known as a public figure.

SELECTION OF HOPKINS AS MANAGER

The selection of Hopkins as manager was not an accident. He was from the beginning considered the most likely candidate for the office, and following the election of the first council the appointment was freely predicted. As a matter of fact, he was first named by Maschke, whose party was a majority of the council, but in the vote, 24 of the 25 councilmen approved him.

"We have investigated Mr. Hopkins' qualifications for the position," said the ever critical Citizens' League, "and we are of the opinion that he is exceptionally well qualified by education, training, experience, character, and breadth of view for the office." Moreover, they continued, "Mr. Hopkins declares without hesitation that he will not accept the office if there are any personal, political, or other obligations which will interfere with his freedom of action in serving the city to the best of his ability . . . He also expects to be entirely free to choose his subordinates."

"I shall try to have pleasant and congenial relations with all who may have business with my office," was the further promise of the new manager on entering the city hall, "but, pleasant or unpleasant, congenial or uncongenial, I shall not willingly leave undone anything I can do for the city of Cleveland."

We have already seen the success which crowned the initiation of the new system of government, and the two-years' record which has been established under Hopkins' régime. It is to the manager himself that the great bulk of the credit should go for these results. True it is that the people were responsible to a degree, for they watched with interest if with scepticism, and were ready to show enthusiasm when results were forthcoming. The council, too, showed a new independence and initiative in legislating, and a rare good sense in keeping hands off the business of appointments. But from the sound administrative and executive ability of Hopkins, and from the popular appeal he was able to attach to his policies, came the real achievements.

THE ABILITY AND FIGHTING SPIRIT OF THE MANAGER

Professor A. R. Hatton was probably right when he said the greatest problem of the city manager type of government is the city manager himself. In this day and age the administrative side of government has increased in importance until it overshadows all else, including policy determination, and especially in a city long attacked as the most fertile ground for political ignorance, honesty and efficiency are of unlimited importance. It may

sound very well to get the machinery of politics out of the hands of parties and groups and into business management free from partisan influences, but unless the man chosen fulfills very high qualifications, it would be better to return to the old system of electing the smoothest talker or slickest vote getter.

It is not simply that Cleveland changed her form of government that the above results have been produced. The better reason is that the city's executive has become an intelligent man, and he is expected to operate affairs on a business and not on a political basis. In almost every case the improvement can be ultimately traced back to the manager's office in the city hall. Because business there is handled in an expert and scientific manner, and someone there knows how things should be done and will see that they are done that way, the new higher tone of government has come.

This spirit of administering city affairs in a scientific manner soon pervaded every department and branch of city service. At the top the example was set. Every city employee has come to learn that Hopkins is more than a popular man, they know that he understands every phase of administration thoroughly from top to bottom. The city hall is pervaded with the feeling that business is being done on the basis of intelligence, expertness, and hard work. The fighting spirit of Hopkins is present in every act of business, and his personality extends to every end of the municipal organization.

Take the matter of conferences as an example. In any discussion of the scientific or business details of some public utility or improvement, the manager takes his position at the head of the group of experts. When the engineers of the new union station want to talk business with the city, it is Hopkins they meet. He knows what the degree of curve or rate of incline or layout of street should be, and he can speak to them not only as public agent, but as engineer, lawyer, or business man. In any important city problem the manager himself generally studies its details and is ready with the facts when the answer is called for.

The manager will tell what kind of paving ought to go on a certain street, how much it will cost a square yard, and what saving this is over the former cost. Together with his finance director he worked out a new accounting system of very considerable merit.

Supplementing this thorough knowledge of problems of city administration, Hopkins has an inclination to work hard at his task. "The city manager himself has set a good example to all public employees by his own punctuality and long, intensive hours of work," said the Citizens' League at the end of the first year. The city hall knows him as a man with a full day of continual conferences with committees, cabinet members and distinguished visitors, individual labor at his many duties, usually followed by an evening with more meetings of business or social nature.

SELECTION OF SUBORDINATES

The appointments made by Manager Hopkins, a matter in which the charter leaves him absolute independence, have been of the highest order in most cases. In one or two positions it was believed that political expediency was followed, but no real bad results have been evident even there. Generally the administrative staff has been filled on the basis of merit, and by the manager alone.

Cleveland, as is probably the case in other large cities, has not been accustomed to finding the source of knowl-

edge and intelligence in the office of the chief executive. The results of this altogether novel situation have been conspicuous from the first, and traceable to the farthest limits of the working staff and throughout the city itself. Not only has there sprung up the new atmosphere of honesty and seriousness and enlightenment at the city hall, but there has been shown a widespread enthusiasm for the new order, and a new and sadly needed faith in city government is coming to the front. Political pull and partisan favoritism have become the exception instead of the rule, and bad business is no longer excused because it has been done by a public official.

SOME CRITICISM MINGLED WITH PRAISE

There is, of course, some criticism of Manager Hopkins. The foremost objection raised is that, as a railroad man, he has given to the railroads many advantages over the city, especially in connection with the work of the new union station. Councilman Peter Witt, who alone has held out against the manager, frequently raises this question. The *Plain Dealer*, in leading the fight for harbor and waterway improvement and development, often charges him with slighting the harbor situation, and looking at the lakefront as primarily a recreation opportunity. "A hit-and-miss project, admirable for the earnestness behind it but falling far short of what the situation requires," is their characterization of his lakefront plans.

As a whole, however, the Cleveland situation has shown an almost miraculous change during the last two years, as compared to the previous administrations. The city manager plan has not done what its enthusiasts promised it would, but it has done far more than was expected of it, and a thoroughly commendable record is presented by Manager Hopkins. Human nature cannot be changed over night, or perhaps the golden age might have arrived.

While the city unites in almost unanimous praise for Manager Hopkins and his two-years record as municipal administrator, there is another and perhaps a less cheerful side to Cleveland's situation which I have heard discussed many times in the higher circles of city officers and municipal experts. The question they raise is this: With a manager as dominant in civic affairs as Hopkins has proved himself to be, is the city manager plan receiving an actual and a fair test? Or is Cleveland merely, for the time being, fortunate and must at some later time face the real test of her charter?

THEORY OF MANAGER GOVERNMENT REVERSED

It is clear that the theory of the city manager scheme, and the spirit of the Cleveland charter, has not been followed. Both alike call for a dominant council and a manager who is their appointee and servant, charged only with the duty of carrying out the policies they determine. The council membership, according to the theory, shall be elected on the personal merits of each candidate and they shall then choose a man capable of handling as a business enterprise the city's affairs. He shall be responsible directly to them, and for the administration only of the policies they decide upon. The dominant position in city affairs shall be occupied by the council and its spokesman and chairman, usually called the mayor.

This proper line of demarcation between the policy-determining function of the council and the policy-administering function of the manager ought to be a fairly clear one. Experts are almost unanimous in making such a separation, most charters call for it,

and the managers themselves in their recent "Code of Ethics" speak of the manager as "a hired employee of the council," and say, "Loyalty to his employment recognizes that it is the council, the elected representatives of the people, who primarily determine the municipal policies."

In Cleveland, however, quite the reverse of this situation prevails. There the whole stage of municipal affairs is occupied by City Manager Hopkins. The council and the mayor have taken back seats, turned over the reins to the manager, and virtually promised to be good. Last month over a hundred councilmanic candidates were clamoring for office, basing their election plea solely on the argument that they were Hopkins men, they had helped elect him, support him, or would stand behind him. Here it is plain that the subordinate-manager and dominant-council theory of city managership has given way to an entirely new situation not anticipated by promoters of the scheme.

The continued success which Hopkins enjoys in leading public opinion and determining policies in advance of the council has won him the name among some of "Chautauqua Bill," the "Rotarian booster and ballyhoo artist." He is charged by them with insubordination and opposition to his employer, the council. In an attempt to assure his political position against councilmanic disapproval, they say, he goes out making speeches, speaks with superlatives and in glowing terms of the great things of the future, and thus leaves the council no way out but to approve all that he promises.

In his first annual report he so far forgot himself as to say to the council: "From yourselves we have received the most generous support which has been fully appreciated."

All this criticism is not fully justified, but there is much that can be fairly said, at least from the theoretical point of view, against the course he pursues. It is clear that when he took his position, he did not appreciate the limitations on his office, and he had an inadequate conception of the relations he should bear to the council. Many believe that he is now changing his attitude, and confining his activities to their proper sphere. Others think he will lose no opportunity to strengthen his position of ascendency.

The Citizens' League was among the first to see the dangers in the increasing power of the manager, and it is partially responsible for bringing the mayor forward to his proper place as city spokesman and leader in public discussion of civic improvements. The League's argument was sound. If the manager should become too dominant and powerful, forces for and against him would soon spring up, and he would become a campaign issue in councilmanic elections. People would vote for or against a candidate because that candidate was for or against Mr. Blank as manager. Real issues of city importance would be forgotten, and the caliber of councilmen would be lowered as they were elected on less important principles.

For instance, they pointed out, a leading candidate has declared himself in favor of municipal ownership of the traction lines. This is an important issue, and one upon which all candidates should make clear their stand, instead of sliding into office on the basis of who shall be manager. Moreover, the League held, if the manager leads in policy determining he would have to take the stump for or against public issues, and thus line himself up with certain parties or groups, instead of confining himself only to business administration.

These dangers are very real, and al-

though they have been largely avoided in Cleveland because of Hopkins' success in keeping everyone on his side, trouble may yet arise should the disturbed balance between manager and council continue.

Because Hopkins is a capable leader, he has been successful in playing this one-man act in city government. Nevertheless the theory of his actions is bad and the precedent dangerous and the only safe course is to restore the council to its full policy determining power. Not until then can Cleveland secure a real test of her charter, and of the city manager scheme in a large city. Because of the near dictatorship that has existed in Cleveland, we cannot say that the plan or the charter have yet been adequately tried.

The public, however, is not inclined to dwell too long on theory when they have results before them. Whatever criticism there may be of his administration, his greatest enemies, if he has such, unite with his friends, in acclaiming his administration a very great success. If this is a real test of city managing, the results are sufficient to furnish a very great recommendation for all other large cities. Optimism reigns supreme as Cleveland enters the third year of her experiment with Hopkins at the helm.

THE INTERNATIONAL UNION OF CITIES

A REPORT OF THE PARIS CONGRESS

BY CHARLES FAIRMAN[1]

The high lights of the Third Congress of the International Union of Cities by a competent observer. :: :: :: :: :: ::

THE Third Congress of the International Union of Cities (Union Internationale des Villes et Communes) was held in Paris during the week of September 28–October 4 with a large body of delegates in attendance. It should perhaps be explained that the International Union was founded at Ghent in 1913, for the purpose of exchanging information concerning the many important questions which are common to municipal administration in all countries. The framework of city government, the relations between local and central authorities, etc., do of course vary from country to country, and sometimes even between various cities of the same state. Nevertheless there is a community of interest in the solution of such great administrative problems as housing and city planning, traffic regulation, water purification, and garbage disposal. With the growth of a city these problems become more complex, and more deserving of careful study by competent administrators. This is more generally recognized in Europe than in America. The Congress of the International Union provides a forum for the discussion of these problems, while the permanent bureau of the Union serves as a clearing-house for information desired by municipal authorities in all countries.

In form the International Union is a federation of national unions, such as

[1] Delegate representing the city of Cambridge, and the Harvard Bureau of Municipal Research.

the Association of Italian Communes, the Union of French Cities and Communes, the Union of Belgian Cities and Communes, the Union of Dutch Cities, etc. No such national organization exists in the United States, but such associations as the National Municipal League and the leagues of municipalities which exist in many of the states are earnestly desired as adherents by the officials of the Union.

PERSONNEL OF THE PARIS CONGRESS

The Paris Congress comprised 750 delegates, from 35 countries, representing more than 300 cities, of which 25 were national capitals. Delegations came from virtually all the countries of Europe, as well as from the United States, Brazil, Canada, China, Colombia, Costa Rica, Cuba, Egypt, Japan, and Mexico. The cities of Germany had misgivings as to the value of a conference held in Paris, and hence declined to participate. This was regrettable, as international rivalries are entirely irrelevant to the work of the Union, and the administrators of German cities would have been welcomed without reference to past animosities. Neither were there any delegates from the cities of Soviet Russia.

Some of the more important European cities represented were London, Paris, Rome, Vienna, Budapest, Constantinople, Tokyo, Madrid, Lisbon, The Hague, Copenhagen, Warsaw, Prague, Bucharest, Brussels, Amsterdam, Rotterdam, Helsingfors, Trondhjem, Sheffield, Barcelona, Bologna, Milan, Naples, Geneva, Lausanne, Berne, and Belgrade.

The New World cities represented were Quebec, New Orleans, Pittsburgh (by the mayor), Washington, D. C. (by the municipal architect), Greenville' S. C. (by the mayor), Jacksonville, Fla. (by a city commissioner), Berkeley, Calif., and Cambridge, Mass. There were also representatives from the City Managers' Association, the League of California Municipalities, the League of Kansas Municipalities, the *American City Magazine*, the University of California, and the Harvard University Bureau of Municipal Research.

French and English were the principal languages spoken at the Congress. As the Europeans were on the whole better linguists than the Americans, most of them addressed the Congress in French, after which a brief résumé was usually given in English. The delegates from Copenhagen and from Tokyo, however, made their addresses in English.

THE SESSIONS

The opening session was held in the Hôtel de Ville, or city hall, with the president of the municipal council of Paris in the chair. The morning was consumed in hearing the addresses of salutation appropriate to the occasion —amenities which consume the time of all international conferences, but which are always more elaborate in Europe than elsewhere. Representatives of the Secretariat of the League of Nations and of the International Labor Office at Geneva brought assurances of a desire to co-operate with the Union. During the afternoon the delegates listened to the report of the secretary-general, Senator Emil Vinck of Belgium.

The second day was devoted to an automobile trip of inspection, covering points of interest in the vicinity of Paris. These included a group of low-priced dwellings constructed and maintained as a public enterprise by the French capital in an effort to cope with the acute housing problem. The trip also included some parks, a model school building, a municipal bathhouse, and ended with a visit to the palace at Versailles.

Wednesday was devoted to the discussion of papers, the sessions being held in the Grand Palace at the Exposition of Decorative Arts. Various national unions of cities gave reports on their activities. It appeared that their efforts included conferences and visits with the municipal officials, the collection and distribution of valuable data, and the protection of local interests against encroachment by the central authorities. An exposition of the workings of the city manager plan in the United States was given by the president of the City Managers' Association. A paper was also presented by the secretary of the Association of American Municipal Organizations on the services performed by the state leagues of municipalities in the United States. He dwelt upon four contributions which these leagues do or should make to city officials: (1) advice upon request as to the costs of various phases of city administration; *e.g.*, the cost of fire or police protection in various cities, the going-rate on municipal bond issues, etc.; (2) legal protection of the public interest against public utility corporations; (3) assistance in drafting city charters and ordinances, and in securing the passage of sound legislation by the state legislature; (4) development of a system for the computing of unit costs, so that, for instance, a city administration may know just how much it should pay, per unit, for lighting, paving, etc., of given specifications.

Mr. Montagu-Harris of the British Ministry of Health made an interesting preliminary report on the forms of local government in the principal countries of the world, including such topics as the relations between local and central authorities, the extent of municipal home rule in financial matters, and methods employed in various countries for floating municipal loans. The paper was only a comparative study of existing facts and did not attempt to draw any conclusions as to whether one system was preferable to another. For, as was pointed out, the highly centralized system obtaining in France (and imitated in many other countries) would be quite intolerable in Great Britain or the United States, where each community feels that it should control its own local affairs without interference from London, Albany, or Harrisburg or wherever the central authority may be.

The general dearth of capital in Europe at the present time makes it more difficult for European than for American cities to float loans for public works. In Holland, Roumania, Italy and Spain the national government has lent its assistance by establishing banks to facilitate the raising of funds needed for the development of the communes.

The fourth day of the Congress was consumed in another excursion to various points of interest. There was a display by a regiment of *sapeur-pompiers*, as the French fire departments are called. The trip included the plant for the incineration of household wastes from the city of Paris and the suburbs. Later the electric and gas plants at Grennevilliers were visited.

HOUSING AND CITY PLANNING

The land policy of towns and cities, with special reference to its influence upon the housing problem, formed the subject of a report given by one of the Dutch delegates at the Friday morning session. It seems that on the Continent the communes (the unit-cells, politically) are much larger owners of land than are the cities and towns of the United States. For example, the commune of Zurich, Switzerland, owns one-third of all the land within its limits and has even greater holdings in the suburbs. Utrecht owns about one-fourth, Amsterdam one-tenth, Buda-

pest one-seventh of the total area within their respective limits. The Dutch delegate recommended that each municipal government should acquire and occupy a dominating position in the local land market. It should encourage the use of land for what the city administration deemed to be desirable purposes by offering public land for sale or long term lease, at prices to be varied according to the use made of the land. Thus a site to be used for low-priced dwellings should be sold more cheaply than if the same plot were to be used for less desirable purposes. Where the owner of a plot of real estate refused to conform to the wishes of the city government as to the use to be made of his land, he would be compelled to do it under threat of expropriation. The city would prevent exorbitant prices being charged for land by offering some of the city's holdings at less than the market rate. In short, the city government should serve as a balance-wheel to the real estate market. The delegate from Rome added that many Italian cities had made an energetic use of the right of expropriation to acquire land suited to the erection of dwellings where the owner declined to build thereon.

This method of carrying out a city plan is of course quite different from those employed in the United States, where plans for the city's future are made through zoning ordinances passed under the police power (limiting the use of private property in the interests of public health, safety, morals, or general welfare). Probably no friend of good municipal government in America would advocate the city's engaging in real estate operations except when necessary for strictly public purposes, even if so drastic a use of the power of expropriation were constitutional in America.

How inapplicable were the Dutch delegate's recommendations to the conditions of land ownership in England and America was pointed out by a delegate from the British Ministry of Health. He regretted that the program did not include a paper on city planning as practiced in America, which was, he said, the country which had made the greatest progress in city planning during recent years. He was opposed to the method of carrying out a city plan which the Dutch delegate had advocated. Thus was clearly brought before the Congress the fact that the field of public action is larger on the continent of Europe than in Great Britain and America.

The delegate from Bucharest, the capital of Roumania, remarked that municipally-owned dwelling houses in Paris returned a profit of only 1½ per cent, and that public ownership with such poor financial results could not be practised on a large scale. The difficulty experienced by Roumanian cities in constructing the public works made necessary by city growth was the impossibility of borrowing except at unfavorable interest rates.

THE GOVERNMENT OF METROPOLITAN AREAS

The last question discussed by the Congress was of particular interest to cities situated in metropolitan areas. What solutions are adopted or proposed in the various countries to meet the difficulties which result, in great metropolitan communities, from the fact of their division into several separate autonomous corporations? The principal paper was presented by M. Henri Sellier, himself mayor of one of the suburbs of Paris and a member of the general council for the Department of the Seine, hence an expert in French municipal government. He brought out the fact that in France and in a number of other European countries

the national government allows or compels the various neighboring communes which form metropolitan areas to enter into syndicates or unions for the satisfaction of various common needs such as the providing of a public water supply, a gas plant, or an electric supply, or the disposal of wastes. This, in other words, is an arrangement much similar to that applied by the legislature of Massachusetts to the water supply and sewerage system of the Boston metropolitan district.

But this syndicate of several communes is subject to the disadvantage that the various conflicting interests are difficult to reconcile. One city, by refusing to co-operate or to allow the laying of necessary conduits within its limits, may thwart the will of the others. The remedy for this, he agreed, was the political consolidation of the metropolitan area, with either a unified or a federal form of government. But where local pride runs strong, as in the communes of Italy, annexation is bitterly opposed. The representatives of Milan asserted that Italy was not likely to "contract the urban elephantiasis from which other nations are suffering." M. Sellier by the way commended the American method of dividing the towns and cities of a state into classes and of legislating separately for these classes, rather than the French method of legislating for all communes together, whether the commune be an Alpine hamlet or a great industrial metropolis.

On Friday evening the closing session was held. At that time the delegate from New Orleans expressed, in graceful French, the appreciation which the Americans felt for the privilege which had been theirs of participating in the Congress. The last day of the week was devoted to a trip to inspect the methods employed in treating with ozone the drinking water supply for Paris. On one of the evenings the members of the Congress were the guests of the City of Paris at a theatrical performance; on another a banquet was provided; on a third the delegates were invited to attend a reception offered by the city.

The proceedings of any international meeting are necessarily slowed up by the diversity of language and the delays incident to translation. There are also differences of law, customs, and national temperament, which sometimes make a discussion of conditions in one country unintelligible to delegates from another. Finally, it is not to be supposed that only one week of study will lead to any revolutionary solutions of the difficult questions of municipal administration. But in the case of the delegates who were at the same time the responsible officials of their respective local governments, the Congress offered a splendid opportunity to get in touch with municipal progress throughout the world. Some day, let us hope, this International Union will be induced to hold its Congress in America.

PITTSBURGH'S GRADED TAX IN FULL OPERATION

BY PERCY R. WILLIAMS
Member Pittsburgh Board of Assessors

A discussion of the working of the Pittsburgh graded tax plan, the purpose of which is to encourage business and improvements and to discourage land speculation by decreasing taxes on buildings and increasing taxes on unimproved land. :: :: :: :: ::

PITTSBURGH'S unique experiment in taxation has attracted widespread attention and there have been numerous inquiries, some of them from remote corners of the world, concerning the operation of the plan and the effects resulting therefrom. There has been a good deal of misconception. It has been heralded by some as an example of "the single tax," which, of course, it is not by any means, but this impression has gained considerable currency, resulting in an exaggerated idea of what Pittsburgh is doing and leading many to anticipate something revolutionary in the way of effects.

The Pittsburgh tax plan may be briefly described as having two notable features:

1. The entire tax revenue for municipal purposes is derived from taxes upon real estate. There are no taxes levied by the city government on any other form of property or income.

2. The municipal tax rate on buildings is fixed at one-half of the tax rate levied upon land. This latter feature is known as "the graded tax."

EVOLUTION OF THE GRADED TAX

The graded tax has been in process of evolution since the year 1913, when the law was passed by the Pennsylvania legislature. It has now reached its goal, the ultimate point contemplated by the law having been attained on January 1, 1925, when the half-rate on buildings became effective. The law provided for the partial exemption from taxation of improvements upon real estate, with the ratio of exemption increasing at each triennial assessment. This partial exemption has been effected, not, as commonly assumed, by reducing the assessed valuation of buildings, but by fixing from year to year a lesser tax rate on buildings than that levied upon land. The law became effective January 1, 1914, and there have been five successive steps, corresponding to the triennial assessment periods, in each step a certain proportion of the tax burden being shifted from buildings to land; in the first period, 1914–15, the building rate being 90 per cent of the land rate; in the second period, 1916–18, 80 per cent; 1919–21, 70 per cent; 1922–24, 60 per cent, and in 1925 and thereafter, 50 per cent. (Note Exhibit "A.")

EXHIBIT "A"

COMPARATIVE STATEMENT OF CITY TAX RATES UNDER GRADED TAX PLAN[1]

Year	*Land Tax Mills*	*Building Tax Mills*	*Flat Tax Rate Required to Raise Same Revenue*
1914.....	9.4	8.46	9.05
1915.....	10.2	9.18	9.8
1916.....	12.6	10.06	11.63
1917.....	11.5	9.2	10.6
1918.....	14.5	11.6	13.3
1919.....	15.7	10.99	13.6
1920.....	19.	13.3	16.6
1921.....	20.	14.	17.5
1922.....	20.	12.	16.5
1923.....	20.	12.	16.58
1924.....	20.	12.	16.46
1925.....	19.5	9.75	15.2

[1] Compiled by Pittsburgh Assessor's Office.

While Scranton is governed by the same act, it being necessary to include in its provisions both of the second-class cities of the state in order to meet the constitutional requirements, the graded tax law is distinctly a Pittsburgh idea. The proposal was originally sponsored by the Pittsburgh Civic Commission, which for a number of years was one of the most influential civic bodies of the community. But it was largely through the political influence exerted upon the legislature by Mayor William A. Magee, then serving his first term, that the measure was quickly adopted into law.

EFFECT OF THE GRADED TAX PLAN

With the graded tax plan now fully effective, it is possible to tell, in general terms, just what the new tax system means to Pittsburgh and its taxpayers.

There is, of course, no loss of revenue through the graded tax. The law of 1913 has no effect whatever on revenues or upon expenditures. It simply brings about a shifting in sources of revenue. Its effect is upon the respective tax rates on land and buildings which are fixed annually by the city council at such figures as will produce the sum estimated as necessary to meet the expenditures set forth in the budget.

Careless writers have frequently stated that Pittsburgh has reduced building taxes 50 per cent. This, of course, is not literally true. What they mean to convey is that, through a gradual process, the building taxes levied by the city have been brought to a point where they bear a ratio of 50 per cent to the city land taxes. The building tax rate would not have been reduced as much as 50 per cent, even had real estate values and government costs remained stationary at the 1913 figures, because we must, of course, take into account the automatic increase in the rate of the land tax which has been taking place as contemplated under the law. The estimate made on the basis of 1913 figures was that, if the law were then to become fully effective, the tax rate on buildings would be reduced 40 per cent. But the proportion of land and building valuations has changed materially since 1913, building values steadily gaining on land values, and, what is more important, the cost of government service has tremendously increased everywhere, as have all costs that enter into the cost of living and the cost of doing business. So the building tax rate in Pittsburgh is actually higher to-day than it was in 1913, but only very slightly higher so far as city taxes are concerned, because the operation of the graded tax law has steadily reduced the ratio of the building tax to the land tax.

The city tax on buildings in 1913 (under the uniform rate plan) was $8.90 per thousand dollars of valuation; to-day it is $9.75 per thousand. This means that our city building tax has gone up in this 12-year period of soaring taxes only to the extent of 85 cents per thousand, while on the other hand, our city land tax has gone up from $8.90 to $19.50 per thousand, an increase of $10.60, showing that the city tax on land has more than doubled in this period, while the city building tax is back practically to the 1913 figures. It may be interesting to note that the building tax rate has fluctuated upward and downward. Beginning on the basis of 8.9 mills in 1913 (which applied alike to buildings and land), the building tax rate was somewhat reduced in 1914, when it was fixed at 8.46 mills, but from that point rose to the peak of 14 mills in 1921, followed by a 12 mill tax for the years 1922–23–24, and finally dropping to 9.75 mills in 1925. But throughout

the process the ratio of building to land tax was lessened every third year.

SHIFT OF TAX FROM BUILDINGS TO LAND

Exactly what does the graded tax mean to the taxpayer in dollars and cents? It means that buildings pay $5.40 less per thousand dollars of valuation than they would pay if the old flat rate system were in effect. It means that land pays $4.35 more per thousand than would be required under the flat rate system. Land therefore pays approximately ten dollars per thousand more than buildings. The city tax rates for 1925 are $19.50 on land and $9.75 on buildings, and these rates raise a revenue of approximately $15,000,000. To raise the same revenue with a flat tax rate would require a levy of approximately $15.15 per thousand. The effect of the graded tax on the tax figures can therefore be accurately measured by the difference between $15.15 and the present rates, and similar calculations have been made that enable us to compare the rates required under the respective systems for each year that the graded tax has been in operation.

In wholesale terms, this signifies that there has been a shifting for this year 1925 of approximately $2,400,000 in taxes from buildings to land. The total assessed valuations for 1925 are: land, $548,475,280; buildings, $442,004,840; total valuation, $990,480,120. Under the graded tax law land values in Pittsburgh pay a total city tax for 1925 of approximately $10,700,000, while at the rate of $15.15, which would prevail were the old tax system now effective, the taxes on land would be only about $8,300,000. Buildings, under the graded tax, pay this year in taxes $4,300,000, while at the rate of $15.15, this figure would be raised to approximately $6,700,000. These figures confirm the fact that there has been a shift from buildings to land of about $2,400,000, a very considerable item out of a total city tax revenue of fifteen millions.

PLAN LIMITED IN ITS APPLICATION

As the graded tax law is the only tax law of its kind in the United States, there has naturally been much discussion as to its effects, not only upon the tax situation itself, but upon real estate conditions. Therefore, before proceeding further into the discussion, it is important to note that the foregoing figures, though very significant, relate only to city taxes, in the strict sense of the term. This fifteen million dollars raised by the city from real estate is by no means the entire tax revenue that is obtained from Pittsburgh real estate, as it is found, upon examination, that the board of public education and the county of Allegheny together raise from Pittsburgh real estate the approximate sum of $17,500,000. And in the collection of this vast sum there is no exemption of buildings whatever, as neither the school tax or the county tax are levied under the terms of the graded tax law, this measure relating to cities only.

The board of public education, representing the school district of Pittsburgh, a political unit distinct from the city itself, raises from taxes on Pittsburgh real estate the approximate sum of $11,390,000 this year, by a flat rate of $11.50 per thousand, the school tax being based upon the city's assessed valuations. Of this total sum, approximately $6,310,000 is obtained from land assessments and $5,080,000 from building assessments. When these figures are added to the city taxes, we find that the combined taxes derived from land amount to $17,010,000, while the combined taxes on buildings total $9,380,000.

The county of Allegheny raises from

taxes on Pittsburgh real estate the approximate sum of $6,110,000, by a flat rate of $6.375 per thousand. It is not possible to give the definite distribution of this sum into land and buildings, as the county tax is based upon the county's assessed valuations, which do not separate land and buildings, though the proportion allotted to each would probably not differ greatly from that shown under the city's assessments for the school tax.

These facts tend to show the limitations of Pittsburgh's graded tax system as it now stands with present legislation fully effective, and to indicate to just what extent the building exemption plan has been carried. The facts cited show how far Pittsburgh is from the single tax, either "unlimited" or "limited," and thus serve to give a better understanding of the Pittsburgh tax experiment, which is really a moderate tax reform applied in a very conservative manner. Nevertheless, it marks a very distinct departure from the general practice of American municipalities and the material change which it has made in the distribution of the tax burden makes it reasonable to look for certain moderate effects upon real estate conditions.

PLAN STIMULATES IMPROVEMENT OF LAND

It is my judgment that the graded tax plan has undoubtedly tended to stimulate the improvement of real estate. It has been said that there is entire absence of *evidence* that the graded tax has influenced the erection of a single building. And perhaps actual proof that it has done so cannot be given, because it is very difficult to determine just what motives are most influential in inducing the builder to build. Yet friends and opponents of the graded tax alike agree that the higher land tax has been influential in inducing those who had held large tracts of land idle to sell at more reasonable prices, because the holding of vacant land for long periods is becoming unprofitable. We know that Pittsburgh has had a boom in building during the past few years and official statistics of building in Pittsburgh show a very marked increase. Whereas, in 1913, the last year under the old tax system, the total number of building permits was 3,461 and the total estimated value of new buildings was $13,870,955, for the past three years we have this record: 1922, 6,259 building permits, value, $35,257,375; 1923, 7,179 permits, value, $33,132,762; and 1924, 8,285 permits, value, $34,256,450. This shows new construction in the past three years of over a hundred million dollars, a record which has never before been equalled in the history of Pittsburgh.

Another index to the improvement of real estate in Pittsburgh is provided by the record of assessed valuations over the period that the graded tax has been in operation, and when we examine this record we find that the total building assessments have gone up from 282 millions in 1914 to 442 millions, approximately, in 1925, while land assessments have only increased in the same period from 480 millions to 548 millions.

The Pittsburgh Civic Commission, in its tax revision bulletin of 1912, contended that high land prices, with accompanying high land rents, were one of the chief obstacles to Pittsburgh's progress, and a survey made at that time brought out the fact that the average value of land per acre in Pittsburgh, as shown by assessments, was second only to that of New York City. This indicated that Pittsburgh's land prices were abnormally high and it was an avowed purpose of the graded tax plan to lower land prices or to retard

the rising process. No careful analysis has been undertaken such as would be necessary to bring out all the facts as to what has taken place with relation to land values since the graded tax law has been on the statutes, but it seems beyond doubt from the evidence at hand that it has had a tendency toward lower land prices; that is to say that while land values constantly rise in all growing communities, the higher tax on land has prevented such inflation as we have witnessed in our own community in times past and such as has taken place in other large cities in recent years. Yet it is fair, in speaking of the higher land tax, to point out that the increased cost of local government has been responsible for this higher land tax to a greater extent than the graded tax law itself. Combining city and school taxes on land, we find an increase from $14.90 per thousand in 1913 to $31.00 per thousand in 1925, or a gain of $16.10, of which $11.75 represents the increase in the cost of public service and only $4.35 represents the increase due to the shifting of taxes from buildings to land.

But while judgments may differ as to the exact effects of the graded tax upon real estate conditions, the facts as to its results in lower taxes are subject to positive proof, being merely a matter of arithmetic. Since the first of the year 1925, when the graded tax law became fully effective, a study has been made from the official records of the department of assessors which reveals some very interesting facts.

OWNERS OF IMPROVED PROPERTY BENEFITED

While we have not undertaken an analysis of the entire city, our study of the tax situation has gone far enough to clearly indicate that the great majority of real estate owners are saving money in taxes through the graded tax law, in most cases this saving amounting to a very substantial percentage of their city taxes. It follows, of course, that the owners of vacant or under-improved land are paying higher taxes, as contemplated by the sponsors of the law, which, as already intimated, means that such land, where valuable enough to pay a considerable tax, is not likely to remain vacant or under-improved for a long period.

Owners of improved property of all classes are benefiting in lower taxes by reason of the graded tax law. Our survey of a large number of typical cases shows very great annual savings in taxes paid by various office buildings, manufacturing plants, warehouses, apartment buildings and single-family dwellings, the degree of the saving varying with the size and type of building in relation to the value of the land upon which it stands. (Note Exhibit "B.") Two of the largest downtown office building properties show tax savings by reason of the graded tax for this year of 10 and 15 per cent respectively, in each of these instances the actual savings in taxes for the one year being in excess of seven thousand dollars.

Apartment houses almost uniformly show substantial savings in taxes under the graded tax for the reason that they are usually structures of some size and value erected upon land of moderate price such as is to be found in residential districts. Two of the newly erected apartments show savings of 27 and 33 per cent respectively, in one case the actual tax saving being over ten thousand dollars for one year. On the other hand, a number of manufacturing plants and department stores occupying valuable land may be found which will not show any direct benefit in lower taxes from the graded tax, but as an offset to this, it should be re-

membered that very substantial savings have been made by manufacturers through the act of 1911 completely exempting all machinery from taxation, while the big department store is entirely free of taxation upon its stock of goods, whereas in other cities such stores pay heavy taxes on their "personal property."

EXHIBIT "B"—TYPICAL TAX SAVINGS

APARTMENT HOUSES

Name	1925 Total Taxes	15.2 Old Plan Flat Tax	1925 Tax Saving
Bellefield Apt.....	$3,654.11	$5,280.33	$1,626.22
Ruskin Apt.....	6,814.08	9,643.48	2,829.40
King Edward Apt..	4,358.06	6,247.05	1,888.99
Georgian Apt.....	2,057.25	2,819.60	762.35
Belvidere Apt.....	1,173.56	1,636.74	463.18
Schenley Apts.....	26,866.13	36,901.80	10,035.67
Terrace Court Apt.	2,422.68	3,408.44	985.76
Alder Court Apts..	2,026.16	2,910.50	884.34
Wightman Apt....	766.35	1,091.36	325.01
Morrowfield Apt...	8,158.41	12,059.37	3,900.96

MANUFACTURING PLANTS

Name	1925 Total Taxes	15.2 Old Plan Flat Tax	1925 Tax Saving
Westinghouse Elec. & Mfg. Co.....	$6,961.61	$9,169.85	$2,208.20
Pgh. Meter Co....	4,966.85	6,175.15	1,208.36
National Biscuit Co.	13,211.60	17,568.16	4,356.54
Hershey Bros.....	5,416.13	6,311.80	895.67
A. J. Logan & Co..	2,735.46	3,181.05	445.59
Liberty Baking Co.	4,191.72	5,395.38	1,203.66
Rieck-McJunkin Dairy Co.....	6,463.48	7,490.71	1,027.23
Armstrong Cork Co.	10,087.35	11,989.76	1,902.41
D. L. Clark Co....	3,840.14	4,505.72	665.58
Alling & Cory Co..	2,812.68	3,256.44	443.76

OFFICE BUILDINGS

Name	1925 Total Taxes	15.2 Old Plan Flat Tax	1925 Tax Saving
Oliver Building....	$61,833.53	$69,098.43	$7,264.90
Frick Building.....	48,516.00	56,057.60	7,541.60
Frick Bldg. Annex.	17,270.18	19,921 88	2,651.70
Union Bank Bldg..	17,246.19	19,523.18	2,276.99
Commonwealth Bldg.	14,103.18	14,793.24	690.06
Keystone Bk. Bldg.	8,915.21	9,419.29	504.08
Carnegie Building..	25,769.25	26,926.80	1,157.55
Keenan Building...	10,202.40	10,688.64	686.24
Westinghouse Bldg.	10,320.38	11,844.60	1,524.22
Bessemer Building.	16,592.75	18,443.83	1,851.08
Fulton Building....	20,286.44	23,033.02	2,746.58
Highland Building.	5,751.33	7,523.08	1,771.75

RESIDENCES

Name	1925 Total Taxes	15.2 Old Plan Flat Tax	1925 Tax Saving
Samuel Rattner....	$85.80	$112 48	$26.68
Michael J. Feeney.	366.60	452.96	86.36
John Lauterbeck...	20 48	27.36	6.88
Marke Pupich.....	34.13	41.80	7.67
Margaret Arensburg	242.39	306.73	64.34
Rose V. Kraeling..	346.13	440.80	94.67
Anna B. Miller....	54.22	76.46	22.24
William B. Rodgers	54.61	73.72	19.11
Mary V. Lee.....	22.82	32.98	10.16
Charles Masur.....	66.31	95.00	28.69

But it is the home owner who stands out as the chief direct beneficiary of the graded tax. Only in rare instances do we find a home owner who has not been benefited to some degree by lower taxes through the operation of the graded tax law. The most striking example of the effect upon taxes on homes is afforded by an analysis of the taxes paid by property owners in the 13th ward, a typical residence ward, which shows that out of a total of 4,252 assessments, there are 3,250 cases where the taxes paid under the graded tax are less than would be paid under the old flat rate system, these savings ranging from 5 to 35 per cent. Of the remaining 1,002 assessments where the taxes paid under the graded tax system are higher, it is interesting to note that 980 of these represent vacant lots, leaving only 22 "improved" properties that are not paying lower taxes, and these 22 are properties that are not very adequately improved.

There has been an impression in the minds of many that the owners of large office buildings profit by the graded tax at the expense of the home owners because of the relatively small building investment of the latter. This assumption, however, is altogether contrary to the facts. The high land values in the downtown business district, known as the "Golden Triangle," much more than offset and cancel the partial exemption of the skyscrapers and other large structures in that section, while the home owner, though possessing a structure that seems insignificant by comparison with the skyscraper, is apt to find the value of his building from two to five times greater than the value of the land upon which it stands, and, of course, every property owner whose building value exceeds his land value on the assessment books is paying lower taxes

through the operation of the graded tax. Nor is it essential that his building value should exceed his land value. If the land value is equal to the building value, or even as much as 10 per cent greater than the building value, his taxes will be lower under the graded tax as long as the present ratio between the total assessed valuations of land and buildings is maintained, the total of land valuations for 1925 exceeding the total of building valuations by more than a hundred million dollars. The city building tax rate is now 35 per cent lower by reason of the graded tax than it would be under the old system and this has made a substantial difference in the tax bill of the average home owner, who is more concerned with building taxes than he is with the taxes on land.

Our survey develops the fact that it is only the exceptional business structure in the downtown district that has a value sufficient to offset the high land value and thus show a saving through the graded tax. A study of approximately 1,200 property assessments in the "Golden Triangle" (comprised of parts of the 1st and 2d wards), shows that only 8 per cent, or about one out of twelve, pay lower taxes by reason of the graded tax. Since high land values are always to be found in the heart of the business district of a city, it is obvious that, under either the old or the new system, the downtown wards must pay the greater share of real estate taxes, but the higher the land tax, the greater is the proportion paid by the downtown section.

PRESENT STANDING OF THE PLAN

The expediency of the graded tax plan lies in the fact that it means tax relief for the majority of taxpayers and that it encourages the improvement of real estate, thus stimulating the development of the community. The justice of the graded tax plan rests upon the fact that land values are socially created, growing with the growth of population and the extension of public improvements, and are, therefore, in a peculiar sense, a natural and logical source of public revenue.

Naturally, the graded tax has not been without opposition. It has been fought by those largely interested in unimproved land, as well as by some who are opposed to the plan in principle. Its repeal has been attempted on several occasions, but its friends have rallied on each occasion and frustrated these efforts. It has been defended by the leading civic organizations and the daily press is practically unanimous in declaring for the maintenance of the law upon the statutes.

The present city administration, which is friendly to the graded tax idea, is not proposing at this time any further extension of it beyond the limits of the present act, but takes the attitude that now that the law has become fully effective, the plan should be given a period of five or ten years in which to fully demonstrate its value. When the taxpayers generally awaken to the realization that the repeal of the law would mean a substantial increase in taxes for the great majority of real estate owners, they are sure to present effective resistance against any future efforts to upset the system. As the graded tax grows in public favor, it seems unlikely that there will be any backward step, and there are even now indications that, within a few years, steps may be taken by interested citizens to extend the partial exemption of improvements beyond the present point through new legislation. Whether or not this will actually be brought about is, of course, largely a question of the development of public opinion as to the advantages of the improvement exemption idea.

THE INFLUENCE OF CIVIC ORGANIZATIONS ON GOVERNMENT

BY S. GALE LOWRIE
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Professor Lowrie discusses civic organizations and agencies, their general character, and their relation to governmental work. ::

Our government by its very nature finds a large place for associations of citizens with no direct control over its machinery, but with, nevertheless, a most powerful influence over its operation. With us, it has been found particularly desirable for those with common views on public affairs and like purposes to band themselves together for advancing their projects. Particularly is this noticeable since the adoption of the equal suffrage amendment to the Constitution. It is not easy to weigh the immediate results of the extended franchise. But whatever the first fruits of the amendment may be, there is most enheartening evidence of progress in an awakened interest in civic affairs and a determination to become more familiar with the functions of the state. Citizenship courses are being organized, study classes enrolled, and inquiries directed as to the actual conduct of public affairs, which argue for greater enlightenment and a more intelligent participation in the privileges of citizenship. But the civic associations being formed are not restricted to purposes of self-enlightenment. They propose to be doers, as well as learners. The growth in the number and scope of the organizations seems to make timely an analysis of the place of such bodies and their influence upon our political institutions. Their effectiveness in advancing the causes they espouse is conditioned in large measure upon their ability to establish the type of machinery calculated to accomplish the work they have at heart.

LACK OF OFFICIAL LEADERSHIP

The first cause for the important rôle which our unofficial organizations play in the conduct of public affairs is the lack of leadership so often noticeable among our public officials themselves. This is due partly to our political institutions, and partly to the character of our officials. As students of American history well know, the experiences of our colonial fathers under monarchial institutions of Europe and the frequent clashes with the feeling of independence bred on the frontier, led to an antipathy to centralized officialism. This was nourished by a study of the political philosophy of the time—that of Montesquieu, Rousseau, and Locke. They believed in individualism and that the power of government should form through natural and mutually independent divisions—the executive, the legislative, and the judicial. This was perhaps the most important of a series of checks and balances which the federal constitution imposed. As Bryce points out, this division of authority was not intended to encourage an expression of public opinion so much as to thwart it—"to force the current of the popular will into many small channels instead of permitting it to rush down one broad bed." It resulted in separate organs each "too small to form opinion, too narrow to express it, too weak to

give effect to it," and "tended to exalt public opinion above the regular legally appointed organs of government!"[1]

This situation has been further embarrassed by the character of our officials, who have, generally speaking, been chosen because of their neutral attitude on public questions rather than because of fitness for their public tasks. We have been swayed in the shaping of our institutions by the influences of the rural districts. The country is the place of the "average man" where the work of every-day life can be done about as well by one person as by another. So special aptitude and training are discounted and by popular elections men are chosen to office. But in selecting candidates for a ticket, other criteria determine than mere fitness for the positions. The most able men in the community and those who articulate most distinctly a popular trend are passed over. In some other countries, one's very position of leadership establishes his candidacy beyond question. He represents an opinion which he has helped to form and which he understands most thoroughly. But with us the fear of antagonizing those who reflect opposite views makes us pause, and one is rather preferred who, though, if possible, well known and whose name has been often before the public, has identified himself with no extreme faction and whose position on debatable questions is not too definitely taken. If his candidacy does not rally the enthusiastic support of any group, at least little hostility is aroused; and the efforts of a well organized party are usually sufficient to establish him in office. Thus it happens that our more able men and those whose minds have been applied most constantly to public questions often yield to less capable, but more "available" candidates, and the more prominent men augment the ranks of the unofficial, rather than the official forces of our society.

But even this obstacle would not prove insurmountable were the official, once introduced to his task, allowed to acquaint himself with its problems and the best methods of solution. However, our short terms leave him scarce time to master the rudiments of his position before he must again appeal for the popular verdict upon his record. Thus it comes about that, while there are countries where leadership is accepted by public officials because there one may not be an official unless he is a real leader, with us it is more frequently assumed by groups of private citizens. By long familiarity with these public matters, these latter have become the mentors of the community. We are, consequently, denied the constructive leadership which should be the fruits of any well officered government and are forced to rely on other guides to conduct us on our civic pilgrimage.

LACK OF PUBLIC INTEREST

But even in localities favored with the most thoughtfully framed charters and whose affairs are administered by thoroughly competent officials, the difficulties of keeping public affairs from being crowded out of the attention of the citizens seems no less serious. In some respects, the more perfect the functioning of government, the less the people seem inclined to concern themselves about it. And so matters run along until an unfortunate hiatus has come between the officials and the public. The former tend to become bureaucratic and impatient of the ignorance and short-sightedness of the public. The latter, sensing the lack of responsiveness are easily led into disaffection and for reasons often little related to the major program of the ad-

[1] *The American Commonwealth*, (New York, 1915.) Vol. II, p. 271.

ministration, stampede in a political turnover.

This tendency is perhaps increased as the nonpartisan movement gains ground. Although it has many sins to answer for, the political party has exerted an influence for political stability. Through party press and political henchmen it has defended the administration against the attacks of its enemies. Even the opposition has been useful. When it has been in the right, it has frequently called attention to mistakes before they developed to overwhelming magnitude and when it has been in the wrong it has allowed the administration to justify its course. In either event it has served to keep the activities of the government in the public eye. The worst enemy of an administration is indifference. And since the law often permits and sometimes requires popular participation in the more important projects, lack of interest and appreciation, even when opposition is slight, is often fatal. As these lines are written, the newspaper headline announces: "Baseball Game Defeats Bond Issue" and the dispatch reports that in a certain city, interest in the championship game in a minor league so engrossed the attention of the people that too few voted to give the project the majority required by law.

TYPES OF CITIZEN ORGANIZATIONS

There are several distinct types of citizen organizations acting as agencies for civic betterment. We have societies for the accomplishment of specific reforms, such as smoke abatement, better housing, supplying pure milk, or the establishment of civic service upon the merit system. There are associations interested generally in all that looks forward, such as city clubs, bureaus of municipal research, and improvement associations of various kinds. There are groups primarily for commercial purposes, but which see in a well governed community an asset of no mean value. Chambers of commerce, merchants associations, and real estate exchanges are of this character. These latter are taking an interest in public improvements because it is good business to do so. All of these types of organization are usually non-partisan in character and, because of the apparent disinterestedness of their motives, exert a more powerful influence than otherwise might attend their efforts. To this list should be added another agency, which is the advisory board. This is found more commonly in German cities than in our own. It consists of a selected group of townsmen interested in some civic enterprise to whom those in official charge may look for advice and support. This unofficial body has no legal control, but it exercises a real influence over public policies in its sphere and is a form of citizen endeavor which might, with profit, be employed more extensively in our own country.

Civic organizations, whether for the accomplishment of a specific reform, or for a more general program of betterment, are of two types. The one is militantly active in furthering its purpose. It aims a searchlight on specific difficulties and, through the agency of an aroused public opinion, seeks to accomplish definite improvements. The other is educational. It maintains an open forum for free discussion of public affairs and hopes through the diffusion of a wider knowledge to arouse citizens to a more active interest in civic matters. Each type has its place; but the machinery of each differs, and an attempt to employ a society organized on one plan for purposes for which it is not adapted may prove disastrous.

THE MILITANT GROUPS

The more combative type of organization is usually a smaller group, whose members can be aggressive in promoting its aims. Care must be taken in selecting its membership that none be included who is not in sympathy with its purposes. An illustration of this need for prudence may be taken from an episode of a few years ago in a typical American city with a thoroughly organized political machine. There existed in this community a healthy group of neighborhood societies known as improvement associations. Their purpose was to rectify conditions in their neighborhoods and to secure needed betterments. Each society had its corps of officers, and selected delegates to a federated body which sought to co-operate with the constituent organizations in advancing their ends, as well as in furthering projects of city-wide importance. But the independence and aggresiveness of these associations were not always pleasing to the political interests which dominated the affairs of the city. Criticism of the administration of public affairs was resented. Attention drawn to matters which might otherwise be overlooked was frequently embarrassing. A fight for control of the associations ensued, and, as they were captured one by one, the queries concerning public policies became fewer and less insistent. It is not difficult to seize the reins of government of such bodies. These associations are not closed corporations. They welcome as members all who evince sufficient interest in community welfare to allow their names to be proposed and to subscribe to nominal dues. When the attention of the members wanes, a prearranged *coup d'état* can be staged, and a well organized minority may seize the helm. One after another of these associations was commanded in this way and delegates elected to the federated society who were not only under the domination of the prevailing political party, but a majority of the representatives were actually on the public payroll. It is needless to add that these societies have, since this time, remained quiescent.

The importance of this principle is well recognized by so active a fighting organization as the trade union. It is one reason for its reluctance to join with welfare associations or to become identified with those whose only basis of affiliation is a professed interest in the laborers. Its membership is limited to workers whose economic status is on the same basis as that of their associates. They recognize that when one's treasure is on one side of a controversy the heart is likely to follow. But be they never so guarded in their acceptance of members, now and again those will be admitted whose purpose is not to further their ends, but to thwart them. Instances are related of those who have joined the union and have become influencial leaders, all the while serving as the paid agents of an employers' group—their real masters—and reporting from time to time the actions, plans, and purposes of their industrial enemies.[1]

A fighting organization must be composed of fearless men who realize that opposition of political or commercial interests is likely to mean personal attack. It must refrain from alignment with any political party even though it seems to have kindred interests; otherwise it will quickly lose the confidence of the people in its disinterestedness if it itself does not become biased. It must be organized for quick action and must possess means of publicity in order that its one weapon, public

[1] Hearings before the Committee on Education and Labor, U. S. Senate, July, 1921. Pursuant to S. Res. 80. Washington [G. P. O.], 1921.

opinion, may be quickly brought into play.

THE OPEN-FORUM ORGANIZATIONS

The open-forum type aims to secure as large a membership as possible in order to make its influence felt in many quarters. It need not scrutinize its membership so carefully, since militant action is not required of them. Its committees may investigate and study problems of government to secure a wider acquaintance with public questions. If its work is done wisely and well, it can hardly fail to result in the formation of separate bodies to go out from this parent group on special missions and assume aggressive attitudes. But the main function must remain primarily educational in character. Such a society is extremely vulnerable if it skirmishes with political or industrial organizations. The latter are certain, sooner or later, to defend themselves by attempting to control the society. Since membership is open to all, it is not difficult to wreck the association by having those subservient to party dictates, or agents of special interests, join the club in sufficient numbers. While an open-forum society may occasionally adopt martial tactics, a continuance of such a course is certain to result in reprisal.

But even though associations of this character are not interfered with by outside influences, difficulties are quite sure to arise within their own memberships. In a society formed to effect a definite reform, differences of opinion may exist as to methods, disputes may arise over incidentals; but there is a strong bond of unity of purpose to control the helm and hold fairly steadily toward a recognized goal. The members of a club for general civic betterment will invariably find a divergence of opinion among themselves. If any active policy is decided upon, a minority will find themselves in the awkward position of seeming tacitly to support a position to which they may, in fact, be opposed. The result will be that they will either become lukewarm in their interest in the society or, wounded in pride because personal advice is not taken, fall back upon their inalienable right to resign with all the *sang froid* of a cook "chucking her job." "Open-forum" clubs which become militant usually have most unstable membership lists. When their lines of activity please certain groups, recruits are secured who drop away when the course steered is less pleasing to them. After a large part of those in the community interested in civic affairs has passed through the mill, those remaining are usually too few in number to have any great influence toward civic reform.

NEED FOR CIVIC ASSOCIATIONS AND AGENCIES

It may be one of the disadvantages of a democratic society that there is no well defined group with a feeling of responsibility for the conduct of public affairs; that responsibility is so diffused as to make its recognition ponderous and difficult to arouse. If inconvenienced or disturbed because of the policies of our government, we know our misfortune is shared by others. We are prone to accept what fate has to decree with grim humor and turn our attention to private affairs. For this work of arousing a sense of responsibility for public acts, civic associations are needed. They must not only help to form an interested and enlightened public opinion, but must see that this opinion, when formed, finds expression in public acts.

It often requires no little self-restraint for associations organized to learn about public questions to refrain

from embarking upon crusades when the need for a campaign has suggested them. Study of the questions, or even the emotional appeal of an orator often stirs them. Are they to remain inactive in the face of glaring abuses? Will they be nothing but a debating club or a knitting society? And so many a society formed in all sincerity for self-enlightenment loses sight of its purpose and yields to a demand for a quite distinct type of work. Many a conference for an honest exchange of opinion becomes a partisan organization as its members strive for advantage in position and try to advance their views. There is need in the communities in which we live for active associations of citizens. These we must rely upon in large measure not only for the enlargement of the scope of our knowledge, and for popularizing what may be well known to specialists, but also for pressing to accomplishment programs of reform. But their success in the development of our political institutions will depend in large measure on their ability to shape their own organizations for the specific ends they have in mind.

THE INDETERMINATE PERMIT FOR UTILITIES SERVING MUNICIPALITIES

BY HARRY BARTH
University of Oklahoma

Several states, starting with Wisconsin in 1907, have adopted the indeterminate permit. The advantages and disadvantages of such a permit are set forth in this article. :: :: :: :: ::

THE indeterminate permit, as a substitute for the usual franchise limiting the operation of a utility to a definite term of years, entered into the field of practical politics when Wisconsin in 1907 established this system as the law of the state. Since that time, it has been adopted by a considerable number of states in some form or other. The state of Indiana accepted it for all utilities in 1913. Ohio passed an act providing for indeterminate permits for street railway companies in 1913. California accepted the idea in what is known there as the resettlement franchise act of 1917. This applied only to street railways. Arkansas accepted the principle for all public utilities by Act 571 of the general assembly of 1919. This was repealed, however, at the next session of the legislature. The state of Louisiana by Act 94 of the extra session of 1921 adopted an indeterminate permit law for cities having a population in excess of 100,000. Minnesota in 1915 accepted the principle for telephone companies only. In 1921 the system was extended to street railways. The indeterminate permit principle has also been accepted in isolated cases throughout the country. It has often happened that a city has provided for the indeterminate permit in the absence of state legislation on the subject. An example of a city which provides for the indeterminate permit is Kansas City, Mo. In the charter, recently adopted, provision was made for this system.

The public utility companies have been thoroughly converted to the system, and in many states they are distributing educational matter on the subject quite widely. The American Electrical Association received a report on the subject from a special committee delegated to study the matter at its convention in Atlantic City, N. J., October 1924. The report was distinctly favorable, and the Association formally approved the idea. The Investment Bankers' Association of America has also approved of the plan in principle. The National Association of Railway Utility Commissioners, at its convention in Detroit in 1922, formally endorsed the indeterminate permit.

Due in large part to the effort of public utility concerns, determined efforts were made at the last session of the state legislatures to secure an extension of the system. Under pressure from the utilities, which frankly sponsored the idea, the state of Oklohoma accepted the indeterminate permit. Much printed matter was distributed, and a definite campaign of education in the press was also undertaken. The law went into effect on June 26, 1925. In Illinois, likewise, pressure has been brought to secure its passage. In Kansas the indeterminate permit is being widely advocated. These examples are merely illustrative of a general movement to adopt the indeterminate permit principle.

FEATURES AND BENEFITS OF INDETERMINATE FRANCHISE

There is nothing obscure about the indeterminate permit idea. It simply adopts the view that a utility should be given the right to operate, as long as it gives adequate service at a reasonable rate. The utility is told to establish services without fear of having its right to use the streets and alleys denied it at some future interval. It is told, on the other hand, that in case it does not give reasonable services it will have its right to serve the city cut off at any time.

Many benefits are prophesied for the utility from the indeterminate permit. In the first place, it is stated that amortization need not be extended over the length of the franchise, which is necessarily for an arbitrary number of years and bears no relation to the actual life of the property. If, for example, a utility secures a franchise for twenty-five years, prudent policy should dictate that the value of the property must be taken out of the earnings before the expiration of the twenty-five years. Otherwise, the utility may find itself with a distributing system on its hands but without power to sell its services, through the expiration of the franchise. This contingency would of course seldom arise. The usual experience, when a franchise expires, is for considerable bickering to take place, followed by the renewal of the franchise. The danger, however, always exists that the franchise may not be renewed, and it is wisdom therefore to guarantee the investment against loss by securing from current income enough additional income to cover the money invested. Where the property depreciates 100 per cent during the life of the franchise, rates need not be abnormally high to provide for the recoupment of the investor in case the franchise is not renewed. But this will not always be the case; in fact, it will seldom be the case.

In the second place, it is stated that the utility is benefited by the fact that it does not have to enter into politics. Where a franchise is subjected to periodic elections to determine whether it may be renewed, the utility operating under the franchise must necessarily engage in local politics. It must estab-

lish connections with local bosses. It must engage in petty deals with ward politicians. It must subject itself to constant harassing.

In the third place, it is stated that the indeterminate permit has the additional advantage of making possible lower interest rates for utility loans. Utility companies have not proved that the indeterminate permit, where it exists, actually produces a lower interest rate. They have shown no figures. However, from the viewpoint of theory, it should have that effect. Where no danger is run of failure to secure a franchise renewal, an investor will probably be willing to take a lower price for his money than where such danger is encountered.

These, then, are the chief advantages claimed for the indeterminate permit from the viewpoint of a properly managed utility. Where a utility is dishonestly operated, the advantages are even greater. A utility may under certain conditions by means of the indeterminate permit escape regulation altogether. If the revoking process is difficult, it need no longer fear the wrath of the consumers in case of inadequate service. It runs no great risk of being deprived of its franchise.

DANGERS AND ADVANTAGES TO CONSUMERS

There are, of course, dangers inherent in the system from the viewpoint of the consumer. What will happen if the regulating body does not function properly or if revocation is difficult? The utility will then be in the position of having a permit to run indefinitely. It may fix rates at any point it pleases, and be grossly lax in regard to services.

On the other hand, to the consumers, the indeterminate permit has certain advantages. With amortization adjusted to accord with depreciation, a substantial saving in rates may result. Lowered interest charges, theoretically at least, should also lower rates. With operating expenses cut, through the savings in expenditures for political influence, rates may also be lowered. All this assumes, of course, that there will be savings, and that the savings will actually accrue to the consumer rather than the investor. Whether such will be the result depends, of course, upon the honesty of the management and upon the effectiveness of the regulation to which the utility is subjected.

Be this as it may, however, the system of indeterminate permits contains possibilities of savings for operator, investor and consumer. It probably is an institution, which, sooner or later, will become a fixture in public utility management. Where a real system of indeterminate permits is adopted with proper safeguards, there will be little grounds for objection.

SOME COMPLICATING PROBLEMS

What complicates the situation is that the indeterminate permit is seldom adopted alone. The issue is not clean-cut. What usually happens is that a bill is introduced uniting the indeterminate permit with the certificate of public necessity and the delegation of regulatory authority to a central controlling organization. This naturally confuses the problem. Is the elimination of competition unquestionably a good thing? The adoption of a scheme of public necessity certificates makes this assumption. There is reason for questioning the institution in the electricity field, for example. There is some question as to whether it is wise to prevent competing companies from stringing electric wires on poles and jointly serving the citizens. This is especially true where there are several groups of companies, each controlling water rights and each in a position to

give service. There will be duplication of equipment, but after all this is not a very large item in an electric distributing system. A lower rate, resulting from the competition, may more than justify the duplication. This does not mean that the elimination of competition is necessarily bad. The only point, which is being made here, is that a law which combines both the indeterminate permit and the certificate of public necessity may be opposed, not because of the indeterminate principle, but because of the certificate of convenience.

Where the indeterminate permit is combined with state regulation of a utility, what happens is that an old fight appears in a new form. In the case of Wisconsin, Indiana and Arkansas, the indeterminate permit is granted by the corporation commission, and the same organization is given power to revoke it. In the state of Oklahoma, the indeterminate permit is to be revoked, not by the city in which the permit has been granted, but by the state legislature. As a result, not the indeterminate permit principle, but state as opposed to municipal regulation becomes the storm center. This was especially true in Oklahoma. There was little objection voiced against the indeterminate permit idea. What was objected to was placing in the hands of the legislature the power to determine for four hundred cities when the utilities serving them were acting contrary to the general welfare and should as a result have their permits revoked. It seemed to most city officials that the indeterminate permit idea was being used to camouflage an attempt to eliminate all regulation. It was felt that the question of control and the public utility problems were being thrown into the legislative pool, in which they would forever be submerged. It seemed that a legislative dog-fight was to be depended upon for utility control.

EXPERIENCE OF WISCONSIN AND INDIANA CITIES

An investigation as to the effects of the indeterminate permit law in Wisconsin and Indiana throws little light upon the indeterminate permit. In both these states, there was the same confusion of the indeterminate permit, of the certificate of public convenience, and of state control. A letter was sent to the city attorneys of the larger cities in both states, requesting opinion in regard to the merits of the indeterminate permit. Invariably the answers dealt, not with the indeterminate permit, but with the effectiveness of state as opposed to municipal regulation. The truth of the matter is probably that the indeterminate permit feature was considered only in so far as it deprived the cities of the last vestige of control over the utilities. Even with state regulation a vestige of municipal control exists if the city grants a short-term franchise. With the extinction of this control through the indeterminate permit, the city has no weapon to compel adequate service whatsoever. The letters from the city attorneys indicate the degree to which state commissions have regulated utilities to the satisfaction of the municipal officials.

As a general rule, the Wisconsin cities were satisfied with commission regulation. Only one Wisconsin city gave a negative answer. A letter addressed to the city attorney of La Crosse brought the reply that, "it has been of doubtful value. The effect has been drawn-out litigation rather than effective results." This, however, was the only unfavorable reply out of a dozen. The rest were generally of the tenor that, although state regulation was looked upon with suspicion in the beginning, the caliber of the Wisconsin

commissioners was such as to cause both rates and services to be adequately regulated, and probably better regulated than when each city tried to do the job individually. Judging by the replies, the indeterminate permit, the certificate of public convenience and state regulation are working acceptably in Wisconsin.

The replies from Indiana are tales of broken illusions, of deluded hopes. Few letters were received containing a good word for the Indiana commission. A reply from the city attorney of New Albany is typical. This follows:

Answering your letter of March 19, I have to say:

1. It is true our state has the remarkable thing known as an indeterminate permit for utilities. Or rather, an indeterminate permit has our state.

My advice to your League is to "lay off" from that particular invention of the devil. . . .

As soon as adopted here, all utilities surrendered their franchises, that is to say: they were enabled to get out from under all their contractual obligations under which they occupied the streets, alleys and public places of the city. They did not give up their occupations of the streets, etc., but they very cleverly stepped out of the few things they had agreed to do, in order to get their franchise from New Albany.

For instance, they had agreed to supply free water to church organizations, and free water to the hospital. They stopped doing this very quickly.

It is proper to say that in this state, cities have no charter but are absolutely creatures of the legislature.

Your state, and your cities are young, and my advice is to get a charter for your cities or any other basic authority which will preserve home rule.

2. Our state commission does not protect our citizens in rights and service. The men composing the commission are all right, and honest, but they simply cannot discharge all the duties which they are called upon to perform; besides, in many cases, as soon as a man gets thoroughly acquainted with the duties of the public service commission, he resigns and is employed as an attorney for the affiliated utilities.

A reply from the city attorney of East Chicago also indicates the trend:

My opinion is that the theory is all right, but that its practical operation in any particular state is a serious matter. One thing is evident, the interest of the city and the utilities are not just the same, and the utilities are always in favor of the public service commission. My opinion is, cities should not surrender their power over the streets and that the city should name the conditions under which utilities may occupy the streets, and that the utilities should not be given power to avoid their contracts except as to rates.

The city attorney who wrote this states, however, that he sees within his own experience a change in the attitude of the commission more favorable to the consumers.

The city attorney of Peru states:

Our experience has been that in some instances the commission has served in a beneficial way to the citizens, but in most instances the utilities seem to have the strongest pull with the commission.

The city attorney of Hammond states:

I think all cities in Indiana are tired of the public service commission. We are for home rule, and we have made several attempts in the legislature to get away from the public service commission, but have always failed.

The street car company, electric light companies and gas companies that have franchises with the city have all surrendered their franchises to the public service commission who fixes the rate and always fixes it high enough, and my advice to the Municipal League of Oklahoma would be to stay away from the public service commission as far as they can.

The city attorney of Logansport states:

Replying to your favor of the 19th instant, in relation to the indeterminate permit for utilities, the public utility commission law of our state forced upon us the indeterminate permit for utilities. This law was fostered and promoted by the public utilities. It does not inure to the benefit of the cities, towns or taxpayers.

To make you a short reply, it has been our ex-

perience that this is a good law for the utility, but a very poor law for all other parties concerned. This utility commission has given in our own town an indeterminate permit to the interurban and street car lines. We have had a great deal of difficulty with this feature of the proposition in the pavement of streets and the control of service in relation to these two particular lines. They have raised our telephone rates and in our privately owned public utilities of light and water, because our city light plant was making money out of which we were hoping to erect some buildings for the city, they cut our rates to such an extent that it will delay our plans, and the ideals we had hoped for cannot be reached. This is only another plan of depriving the people of the right of local self government.

As city attorney, I find that this form of control tends to centralize the government of the state in the capital, offer jobs and appointments for lame ducks, and for lack of interest or finance the citizen and taxpayer usually gets the worst end of the bargain.

Another city attorney states:

It is a question whether the public service commission serves the public with the same fidelity that it serves the large utilities. The large utilities in this state and other states have an organization, and they appropriate out of their net earnings of the various corporations a certain per cent which is used as propaganda, and this propaganda is used to maintain public sentiment in favor of various bureaus and commissions, and particularly the public service commission. From this it might be argued with some degree of reason that the service corporations see in the public service commission some advantage or benefit to them which would not inure to them if they had to deal with the common council or other governing bodies of towns and cities, and had to depend on their franchise rights and rights prescribed by the various statutes.

There has been much political agitation in this State about doing away with so many bureaus and commissions, and the public service commission has come in for its full share of criticism. . . .

My own observation has been in matters which came before the public service commission in which our city was interested relative to electric light and power, gas and water and as good or better results could have been obtained without the aid or intervention of the public service commission.

These letters indicate the general opinion of Indiana cities. They indicate that the city officials at least feel that the public service commission is less able to deal with municipal utilities than would be the cities themselves. They indicate a strong feeling for home rule. They indicate a belief that the utilities have managed to ingratiate themselves with the commissioners. They indicate a belief that a commissioner will be unquestionably swayed in his judgment by the fact that at the expiration of his term he may receive a good position with an increased salary with a utility. They indicate that the cities feel an inability to cope with the high powered attorneys who represent the corporations before the public service commission.

These letters, of course, give no indication as to what the opinion on the indeterminate permit itself would be. Where a city has power to determine whether the permit may be revoked, the situation will be totally different. It is at least doubtful whether the utilities would be so strongly in favor of the system with municipal regulation. The chances are that it is not the indeterminate permit, but state regulation which is desired. It is interesting to note that the laws of Wisconsin, Indiana, Ohio, Oklahoma, Minnesota, and Arkansas either provide or provided for state control, with the indeterminate permit feature as secondary.

ADEQUATE SAFEGUARDS NEEDED

The indeterminate permit should be surrounded by adequate safeguards. Where municipal control is operating satisfactorily, it may well be adopted, but it should specifically provide for revocation by the city. In addition, the conditions under which it may be revoked should be thoroughly set down.

Otherwise, thanks to the 14th Amendment of the federal Constitution, it will unquestionably be the cause of litigation. Judicial squirmishness, where property rights are involved, is so intense that no danger should be run of discovering in the end that the utility has received not a revocable permit but a perpetual franchise. It should probably be laid down in the permit that the utility may be ejected from the city within a stipulated period, if the citizens at a general election have so determined. It should be provided that the citizens shall be the sole judge as to whether service has been adequate and rates fair. In order not to be unfair to the utility, an affirmative vote of 60 per cent of the citizens should be necessary for ejection. Probably, also the concern should be given five years to wind up its affairs.

Where local regulation has failed, and state regulation is looked upon as desirable, the indeterminate permit may be adopted also. It should not be assumed, however, that because municipal regulation has proved unsatisfactory, it should be abandoned. The mere failure of municipal control is not in itself a guarantee of state success. It should not be forgotten that there are grave doubts as to the ability of a public service commission, sitting at the state capitol, however honest it may be, to regulate the rates in a number of growing cities. The administrative problem is almost Herculean. The desirability of overloading our central administrative systems is questionable. The ability of men to bear the burden which centralization throws upon them is extremely doubtful.

Should the indeterminate permit be accepted where the state is the regulating body, the authority to revoke the permit should assuredly be vested in the public service commission. The Oklahoma plan of permitting the legislature to be the judge is vicious. The legislature is totally unfit to act in this capacity. It is already overburdened. An individual legislator already has more problems to think about than he can possibly handle. The many intricate questions involved in regulating utilities require expert judgment rather than the opinion of amateurs. In addition, the Oklahoma legislature is limited in its sessions to around seventy days out of every two years. It is difficult to understand how such a body can successfully determine whether utilities in several hundred cities are acting satisfactorily.

Where the public service commission has power to control utilities, it should certainly be given complete power to fix both rates and services. It may seem strange that a public service commission can be created without adequate powers of this character, and yet such is the case. The *sine qua non* of state regulation is a regulatory body of adequate powers.

In addition, the commission should be granted ample appropriations. The intricate task of controlling fifty or sixty utility companies cannot be done with insufficient funds. Yet there are few commissions, at least in the Middle West, which are not hampered through lack of money. This is parsimony rather than economy. Our state regulating commissions are in a position to perform possibly the most valuable service which states render, but they cannot be successful if they are handicapped through lack of finances.

The state of Oklahoma has an institution which is proving valuable. This is a special counsel to represent the cities before the corporation commission. A well qualified attorney now represents the cities before this organization. He is paid out of state funds, and performs a valuable function. The only defect of the scheme is that

the agency is not sufficiently well provided for financially. In some months the counsel has the impossible task of preparing a brief a day. He has been in court for two weeks at a stretch. No lawyer should be compelled to work under such difficulties. With increased appropriations for this department and with increased powers for the corporation commission, state regulation in Oklahoma would have a real opportunity to prove its merits. As it is the cities cannot provide counsel equal in training and experience to the counsel of the utilities. Usually the counsel provided performs a labor of love as it is underpaid. It is only seldom that it can devote full time to cases before the commission. A better equipped counsel for cities in the corporation commission would tend to eliminate dissatisfaction.

Another prerequisite of a satisfactory indeterminate permit system would be definite specifications in regard to the revocation of permits. In at least one state, Oklahoma, it is provided that the permit may not be revoked unless no injury is done to the owners of the utility and unless the citizens of the entire state are being harmed by a continuance of the permit. Qualifications such as these may be interpreted by the courts so as to make revocation impossible. At best, vague limitations of this character can lead only to endless litigation and strife with accompanying increase in the work of the courts and decrease in popular regard for the institutions of government. It is difficult to see how the indeterminate permit can be revoked without endless conflict over the clause forbidding impairment of obligations and the due process bug-a-boo.

One excellent feature of almost all the laws is provision for municipal purchase. This is a blanket safeguard against the worst abuses. If conditions become unbearable, the city as a last resort can buy the utility and operate it. This would involve embarcation upon municipal ownership, which is at best hazardous. Still it is a last bulwark, and should never be omitted from an indeterminate permit law.

MUNICIPAL ADMINISTRATION AND FEDERAL HEALTH ACTIVITIES

BY JAMES A. TOBEY
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The federal government appropriates annually sixty-five million dollars for health and medical relief. :: :: :: :: :: ::

When a city official wishes to secure authoritative information on the various phases of public health he may get it from many different federal bureaus. If, for instance, he wishes data or assistance on school hygiene, the division of school hygiene of the bureau of education in the interior department, or the public health service in the treasury department can give it to him, while the bureau of home economics in the department of agriculture issues an excellent pamphlet on school lunches. If information on child hygiene is desired, the city official may get statistics from the division of vital statistics of

the census bureau in the department of commerce, statistics and advice from the children's bureau in the department of labor, still further material from the public health service, an outline for study on this topic from the federal board for vocational education, and information on foods and child feeding from the department of agriculture. There are also one or two other sources of federal help on this subject.

Similar examples could be given for many other branches of public health. Rural hygiene, sanitary engineering, nutrition, industrial hygiene, and various other topics are investigated, and in a few instances, regulated by different bureaus of the federal government. In fact, there are at least thirty separate bureaus or other branches of the national government which are interested, directly or indirectly, in some phase of the public health, though, of course, with only about one-third of this number is public health the major and primary duty of the bureau. No wonder that the municipal official is sometimes a trifle perplexed as to where to turn for advice, data, standards, or laws. If he goes to Washington to confer, he must wander all over that city in order to locate the diffused offices from which public health is dispensed.

Although so many disconnected bureaus of our government, scattered through the ten executive departments and the several independent establishments, are concerned with public health, duplication of effort is not as great as might be expected. The field is so broad and there is so much to be done, usually with limited funds, that actual overlapping is not prevalent, though there is considerable duplication of functions. Sanitarians, experts in political science, and state and municipal officials are agreed, however, that the now diversified health activities of the federal service should be effectively co-ordinated and, to a considerable extent, centralized. Such a step need not involve any expansion of existing work, nor necessarily the creation of a new department of health with a secretary, but merely a better re-allocation of the bureaus actually engaged in health duties, with a single executive, at least an assistant secretary, in charge.

RESPONSIBILITY PRIMARILY THE STATES'

Under the American plan of government, the care of the public health is primarily a state responsibility. It forms a part of the police power, which was enjoyed by the states before the federal constitution was adopted, retained by them afterwards, and, in fact, specifically reserved to them by the tenth amendment. The actual administration of the police power has been delegated in a large measure to local governments, as the agents of the state, a principle which is sound and has often been upheld by the courts. The federal government does, however, have certain legitimate public health functions. These include the prevention of the entry of disease from without, that is, foreign quarantine; the prevention of the interstate spread of disease; research into public health problems; and popular health instruction. The treaty making power and the authority to impose taxes may also involve public health matters, and taxation is often used for regulatory as well as revenue raising purposes. The federal government may also be a central source of advice and information on health matters and may assist states or municipalities when invited to do so. It has frequently given such co-operative service on request.

THE FEDERAL AGENCIES

The chief federal health agency is the public health service. Up to 1912 this bureau bore the title of marine hospital service. It was definitely organized in 1870, though medical relief to seamen and others had been given by the service since 1798, when congress passed a law authorizing collectors of customs to collect twenty cents a month for each seaman of the American merchant marine in order to provide necessary medical aid. This service came under the treasury department and so, for historical reasons only, the public health service is to-day in that department. The scope and duties of the service have been expanded from time to time until to-day it receives about nine million dollars annually, has a personnel of over 4,000, and is organized into eight divisions, including (1) scientific research, (2) domestic quarantine, (3) foreign and insular quarantine and immigration, (4) sanitary reports and statistics, (5) marine hospitals and relief, (6) venereal diseases, (7) personnel and accounts, and (8) general inspection service.

The children's bureau in the department of labor is another important federal health agency. It was created in 1912 to investigate and report on all matters affecting child welfare, especially infant mortality, the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents and diseases of children, and employment. It administered the first federal child labor act, which was declared unconstitutional in 1918, and in 1921 was charged with the administration of the federal maternity and infancy act, by which federal subsidies are granted to the states. This bureau has a personnel of about 160 and is organized into divisions of: maternity and infancy, child hygiene, industrial, social service, statistics, and editorial. For 1925 it received $1,334,012, of which $1,007,092 was for maternity and infancy, to be spent by the states.

The department of agriculture has a number of bureaus interested in public health. The bureau of chemistry, with an annual appropriation of well over a million dollars, does the analytical work under the pure food and drugs act of 1906, while the bureau of animal industry receives about four millions for the inspection of meat intended for shipment in interstate commerce. This bureau also attempts to eradicate tuberculosis in animals and does other work affecting human health. The bureau of home economics studies human nutrition, receiving annually over $100,000 for this and other home economics investigations. There is in the department a bureau of dairying, and the bureaus of entomology, public roads, agricultural economics, and the extension service all have some kind of a health interest. The latter service has over 900 home demonstration agents who do much health work in rural counties.

The departments of interior and commerce likewise are concerned with national vitality. The office of Indian affairs in the former department has a medical division, and the bureau of education maintains a division of school hygiene and also looks after the health of the natives of Alaska. The bureau of mines is charged with investigations of improved methods of mining, particularly from the standpoint of health and safety. In commerce we find vital statistics collected by a division of the bureau of the census.

REORGANIZATION NEEDED

There are still other bureaus and independent establishments which might

be mentioned, but enough have been cited to indicate the dispersion of health functions in Washington. These various bureaus have gradually evolved over a long period of time. In fact, all the executive departments represent a hodge-podge of administrative duties. Every president from Roosevelt to Coolidge has recommended that they be reorganized, and attempts have been made from time to time to do so, but congress has not yet seen fit to pass the legislation needed. A new department of health has been advocated on a number of occasions and a serious, but unsuccessful attempt was made to secure such a department in 1910 and 1912, the movement having the indorsement of President Taft.

More than fifteen million dollars is appropriated annually to the various public health agencies of the government, and another fifty million goes for medical relief. A centralization of the health functions would not only conduce to efficient operation, but undoubtedly could demonstrate an actual saving, thus satisfying those who are desirous of economy in government. Municipal and state officials and the public generally would be better off if they could deal directly with a central federal health authority. Pamphlets, of course, may now all be purchased from the superintendent of documents, but the various bulletins desired can be obtained free only by applying to many bureaus. Printed matter is not, however, the only basis for contact. A certain amount of advice and counsel and even of leadership is essential. Since we have 48 state sovereignties, the federal government, as a unit, must supply such scientific guidance as is desired by the states.

A study of all the federal health agencies is now under way under the auspices of the Institute for Government Research. Following this first step of assembling all the facts, the second will be to suggest a practical plan for co-ordination, and the third to induce congress to adopt it. When the second and third stages are reached, the advice and support of municipal officials will be needed and will be of great value. Correlation of federal health work means the enhancement of national vitality and that means not only health and happiness, but national progress and a contribution to the advancement of American civilization.

CHIEF ELEMENTS OF CONTROVERSY IN PUBLIC UTILITY RATE MAKING

IV. REPRODUCTION COST AND CHANGING PRICE LEVEL

BY JOHN BAUER
Public Utility Consultant, New York City

"The only rational course is to base rates definitely upon actual cost and place rate making upon an exact and scientific foundation." ::

In the preceding articles I discussed depreciation as an element of controversy in public utility rate making. The position taken was that depreciation represents costs of property chargeable to service, and that the whole matter is a question of cost apportionment. So far as the investment is concerned, under proper accounting the original cost of all units of plant and equipment used in operation is shown in the property accounts, the part of such original cost which properly belongs to past operation is stated in the depreciation reserve. The difference between such original cost and the depreciation reserve, is the cost that belongs to future operation and is the net monetary investment in the property. If these facts are not shown properly by the accounts, they may be established by appraisal.

If the principle were definitely established in law that reasonable rates should be based consistently throughout upon the cost of service, then the net investment as reflected by the original cost of the properties less depreciation, would be the proper basis for rates. As to operating expenses and taxes, the actual reasonable cost has become accepted for rate making, but the return on the properties has not been placed upon a definite cost basis. We have here the element of present controversy which has caused the great bulk of rate litigation and the deadlock in regulation.

SMYTH *v.* AMES "FORMULA"

The difficulty is that the so-called rate base on which the owners of a utility are entitled to a return, was never exactly defined either by the legislative bodies providing for regulation or by the courts which have passed upon questioned validity of rates.

Nearly thirty years ago the Supreme Court of the United States laid down a general rule for determining the necessary return on the properties. In the famous case of *Smyth* v. *Ames*, the Court held that a company is entitled to a fair return on the value of its properties, and in determining such value consideration must be given to

> . . . the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the company under particular rates prescribed by statute, and the sum required to pay operating expenses . . . and are to be given such weight as may be just and right in each case. We do not say that there may not be other matters to be regarded in estimating the value of the property. What the company is entitled to ask is a fair return on the value of that which it employs for the public convenience. On the other hand, what the public is entitled to demand is that no more be exacted from it for the use of

a public highway than the services rendered by it are reasonably worth.

At that time this statement was reasonably adequate. The decision was made in 1898, when there was no particular issue between original cost of the properties and reproduction cost. With the exception of land, for the following ten years, or even up to the World War, the reproduction cost of utility properties was probably no greater in most instances than the original cost. Consequently, during that entire period, when the courts spoke of reproduction cost they had in mind no issue perceived as materially affected in contrast to actual cost of the properties. "Fair value" could be assumed to be determined equally well by reproduction cost or actual cost. But the actual-cost figures, prior to the more recent commission control, were seldom available; hence reproduction cost was a common method of valuation, without any thought of conflict with actual cost.

"FORMULA" BECOMES INADEQUATE

But this situation changed suddenly after 1914, with the sharp increases in prices and the much greater cost of all classes of construction. Then a great difference burst forth between reproduction cost and original cost, and the issue stood clearly drawn before the commissions and courts. The old statement of *Smyth* v. *Ames*, which had done service for fifteen years, became inadequate under the new conditions when there were great differences in the elements mentioned. Previously "fair value" might be determined by either original cost or reproduction cost, if the amounts were properly ascertained, without affecting seriously the relative rights of the investors and the public. But afterwards it became important which method was used.

The time had come when the loose statement was no longer workable, and when an exact definition or formula was necessary. But the old phrases had done service so long, and the elements of "fair value" detailed in *Smyth* v. *Ames*, had been cited so often, that they could not readily be abandoned. Consequently we still have the same so-called "formula", and are struggling with the uncertainty as to what it means. Each side in every case is practically free to make its own interpretation. We have an era of litigation instead of regulation.

ATTITUDE IN RECENT DECISIONS

Perhaps the situation is not quite so chaotic as the above description seems to imply. The Supreme Court has after all given some intimation of what it would deem "fair value" under present conditions and has indicated some reasonable limits to the claims made by interested litigants. On the one extreme it has recently declared flatly that a company is not entitled to a return on the reproduction cost. In the Georgia Railway and Power Company case, Judge Brandeis, speaking for the majority, stated that

> the refusal of the commission and of the lower court to hold that, for rate making purposes, the physical properties of a utility must be valued at replacement cost, less depreciation, was clearly correct (262 U. S. 625, 632).

In this case the valuation fixed by the Railroad Commission of Georgia was based predominantly upon actual cost, or pre-war costs, except that $125,000 was allowed as appreciation of land. The total valuation approved was $5,250,000 compared with $9,500,000 claimed by the company on the basis of reproduction cost less depreciation. In sustaining the commission's appraisal, Judge Brandeis said:

Here the commission gave careful consideration to the cost of reproduction, but it refused to adopt reproduction cost as the measure of value.

From this case it can be strongly argued that as an ultimate test of confiscation, the Supreme Court will give preponderant consideration to actual cost less depreciation; *i.e.*, judging the fairness of the return on net investment in useful property. Moreover, a survey of all the rate cases passed upon by the Supreme Court does not reveal a single instance of rates declared confiscatory where they brought as much as 6 per cent or 7 per cent return on investment, but failed to bring such a return on reproduction cost less depreciation (or with a substantial allowance for reproduction cost).[1]

In spite of the decisions thus stated, it cannot be conclusively asserted that actual cost would be sustained if the rates brought a return of 6 per cent or 7 per cent on net investment. Even in the Georgia Railway and Power case, Judge Brandeis called attention to the fact that the commission had given consideration to reproduction cost and had allowed $125,000 as increment in land value. In two other cases, however, one decided on the same date with the Georgia Railway and Power case[2] and the other three months earlier,[3] the Court did emphasize the necessity of giving weight to reproduction cost, although in those cases the rates were inadequate even on the basis of actual cost.[4] In a case where the point is clearly the determining issue, the Court may refuse to uphold rates where no weight was given to reproduction cost but where an otherwise adequate return was realized on actual cost less depreciation.

[1] See analysis of cases by Judge Brandeis in minority opinion Southwestern Bell Telephone case (262 U. S. 276).

[2] Bluefield Water Works and Improvement Co. *v.* Public Service Commission of West Virginia, 262 U. S. 679.

[3] Southwestern Bell Tel. Co. *v.* Public Service Commission of Missouri, 262 U. S. 276.

[4] See minority opinion by Judge Brandeis in Southwestern Bell case and his statement in Bluefield Water Works case.

CLARIFICATION NEEDED

The situation is thus fraught with confusion. The issue is clear, but there has been no definite decision because the matter has not appeared before the Court in a sufficiently specific manner to require decision. In the public interest, it is highly essential that two things be done: (1) that cases with the facts and principles properly presented shall be brought to the Court for decision in such a way that the ultimate issue cannot be avoided, and (2) proceeding with constructive legislative action to place rate regulation on a definite and workable basis.

There is no doubt that from a broad public standpoint, which includes not only the interest of municipalities and consumers, but in the long run also the investors in public utility securities, the desirable and necessary basis of rates is actual cost of the properties less depreciation; actual investment made for the public service. The outright acceptance of this fact would put rate making systematically upon a cost basis throughout, and the facts could be kept under definite accounting control. In the case of any one company, only a single appraisal would be necessary to fix the amount of the investment; then subsequently all additions and retirements of property would be shown by the accounts as definite facts beyond dispute. Rates would then be on a scientific basis, and could be raised or lowered without litigation. The rights of the investors and the public would be exactly defined and accurately shown. There would be an

end to the constant litigation with which rate making has been involved, which has been extremely costly, has produced serious irritation between public authorities and the companies, and has not produced satisfactory regulation for the public or investors. A definite basis of rates is a prerequisite to effective regulation. No body is benefited by indefinite principles and indeterminable facts.

UNDISPUTED RATE BASE ESSENTIAL

The whole matter rests upon the question of actual cost versus reproduction cost as the recognized rate base. If actual cost is accepted we are then in a position to deal with exact facts scientifically determined.

The fundamental objection to reproduction cost is that it does not represent a definite quantity based upon actual facts and capable of constant and exact determination. The result is that there is no positive basis to show at any time whether rates are reasonable or not. With every attempted rate adjustment, a new valuation is required or at least sharp differences of opinion immediately appear as to the rate base.

It is now fairly common knowledge that prices are constantly changing and do not maintain a fixed level for any long period of time. Consider the changes since the Civil War: first a long steadily declining curve down to 1897; then a rising curve till 1914; followed by upward soaring prices during and after the war till 1920; a sharp decline till 1921; an oscillating curve since 1921 ranging near 50 per cent above the 1913 average. But even during the past two years of comparatively stable prices, the range from the lowest to the highest is 47 per cent to 61 per cent above the 1913 average. To-day prices are approximately 230 as compared with the low point of 1897.

What is to be expected for the future? We certainly have little reason to look for any greater stability in prices than we have had in the past. There will be downward and upward swings, with minor oscillations, and these constant changes make reproduction cost an unworkable basis for satisfactory rate control. It would involve repeated valuations with constant guessing and uncertainties. It would promote deadlock in regulation.

SPECULATIVE ELEMENT IN UTILITIES

There is, however, also another serious objection to reproduction cost from a broad public standpoint, including investors as well as consumers; it would preserve and accentuate the speculative element in public utility finance. Consider that on the average about 75 per cent of the actual investments in public utility properties has been made through bond and preferred stock issues and only about 25 per cent through common stock. If this fact is kept in mind, also that bondholders and preferred stockholders are limited to a fixed return on their actual investment, does it not follow that during rising prices reproduction cost would bring to the common stock increasing returns far out of proportions to the increase in price level, and would stimulate speculation in the stock? Likewise, during long or sharply falling prices, reproduction cost would bring financial pressure upon the company because of fixed interest charges, and ultimately would not only take away all return from the common stock but would bring insolvency to the company. It simply would not prevail against long falling prices, like those following the Civil War, without producing financial chaos in the industry and greatly impairing service for the public.

AN ADJUSTMENT THAT DOES NOT ADJUST

Reproduction cost is urged as a method of adjusting the return to the investors according to the shifting purchasing power of money during rising or falling prices. But, as a matter of fact, does it achieve any such result, which, if it could be satisfactorily attained, would be highly desirable? First, is it not clear that the bond holders and preferred stock holders, the bulk of the investors, would be excluded from any such adjustments? As already indicated, during rising prices they would be held to their fixed monetary return, and during falling prices even their limited payment might be endangered.

But, secondly, even the common stock would get no such direct adjustment as is inferred by the supporters of reproduction cost. During rising prices, the additional money returns would be all out of proportion to the decrease in the purchasing power of money, because the common stock holders would get the total benefit of the higher valuations allowed not only on their own investment but also on that of the bond holders and preferred stock. But during falling prices they would pay the full penalty for their undue advantage during rising prices; their return would decline in much greater proportion than the fall in prices, and might disappear altogether, with insolvency besides.

This is an extremely critical issue that is not squarely faced by the supporters of reproduction cost. What would happen to common stock if we were to experience a long period of falling prices of 50 per cent during the next thirty years, as occurred after the Civil War?

CONCLUSION

The only rational course is to base rates definitely upon actual cost and place rate making upon an exact and scientific foundation. This will require not only a proper presentation of the cases to the courts for consideration of the broad issues, but also legislative action to establish definite policies and methods for rate making. Otherwise, floundering and confusion will continue indefinitely.

A more comprehensive discussion and presentation of a systematic plan, including an adjustment for the existing investment of the common stockholders, has been set forth by the writer in "Effective Regulation of Public Utilities," Macmillan, July, 1925.

THE COMPARATIVE TAX RATES OF 215 CITIES, 1925

BY C. E. RIGHTOR

Detroit Bureau of Governmental Research, Inc.

The REVIEW *again publishes the comparative tax rates of municipalities. Reprints are available.* :: :: :: :: ::

What is the tax rate of your city, and how does it compare with that of other cities?

These and other questions pertaining to the taxes on property are pertinent today, and are of growing interest to industries and business, to homeowners and public officials everywhere. On every hand we hear of citizen groups and official committees who are studying the problem of taxation, to learn whether taxes may be reduced and how.

To make available a current statement of the tax rates and the actual tax burden in cities having over 30,000 population, the Detroit Bureau of Governmental Research has compiled the accompanying tabulation, showing the actual tax rates for 1925, by purposes; the adjusted total tax rates upon a basis of a uniform assessed valuation of 100 per cent; and the tax burden in each city as estimated when consideration is given to the practical application of true value in assessing.

1925 POPULATION LISTED

The cities are listed in the five census groups in order of population according to the estimates of the Census Bureau for July 1, 1925, except in a few instances where no official estimate was made; in these latter cases, the 1920 census was used unless a local estimate was furnished. For cities in Florida, Iowa, Kansas, Massachusetts, New York and Rhode Island, state census figures were used where available and adopted by the Census Bureau. It is obvious that the 1920 census figures result in placing such cities unduly low in the list, but as per capita figures are not used in the tax rate tables, such listing does no great harm.

PROPERTY TAXES ONLY

The tabulation is confined solely to tax rates on property, both real and personal. It serves as a gauge to the contribution to the local units of government from this source, but no indication is given of possible other sources of revenue toward the total operating budgets of the subdivisions. It is known, for example, that some cities receive a portion of a state income tax in lieu of a tax on personal property. The relative proportions of real and personal property are set forth, but that is all it is possible to do in this tabulation.

The tabulation is simplified from that of previous years, the rates being listed only for the four main political sub-divisions—city, school, county and state,—the levy for debt being included this year usually with the unit which issued the obligation. Further, the ranking of the cities according to the amount of readjusted tax rate is omitted, as injustice is done to some cities by such ranking owing to the difficulty of obtaining a satisfactory estimate of the practice of assessing as to full value.

The total tax rate column should indicate, for any city, the aggregate amount of taxes per $1000 of assessed value paid for all purposes by the taxpayer. Owing to the varying legal bases of assessment in several states, however, this total does not afford an accurate basis for comparison of actual tax levy. To make possible such comparison between cities, the total rates have been adjusted to a uniform 100 per cent basis of assessment, as shown in the column "adjusted tax rate." A range in the total rates is thus disclosed of from $63.85 per $1000 for Fresno to $16.50 for Winston-Salem, omitting Washington with a $14 rate. For Canadian cities, the range is from $46 for Edmonton to $22.80 for Winnipeg. The average for all cities is $31.85.

TAX RATE VERSUS TAX BURDEN

It is not to be assumed, however, that the present day basis of property taxation is at such high figure when the real value of the property is considered. It is recognized generally that all taxable property in our cities is not usually assessed at full value, as the assessing officials cannot keep pace with increasing values. The real tax burden in such event is lower than the actual rate, in proportion as the valuation is low.

When attempt is made to determine

the actual burden, therefore, through further adjustment of the uniform rate according to the practically applied basis of assessment in each city, the average burden is found to be considerably reduced from the average rate. Using the best information available for all cities, the burden in 1925 was found to be $24.15 per $100 of full value,—or less than 2.5 per cent. This burden is shown in the column "readjusted tax rate," Pueblo having the highest rate, $48.74, and Little Rock the lowest, $10.32. Of the Canadian cities, Edmonton remains high, with a rate of $36.80, and Ottawa is low, with $21.13. It is interesting to note, in passing, that the cities in the lower census groups show a higher average tax burden than those having a population of 100,000 and over. Milwaukee seems to be a good example of a city placing the average tax burden upon its citizens.

It is believed that the average of $24.15, or approximately 2.5 per cent, is of much significance when consideration is given to the possibility of tax reduction. Can we expect our cities to continue their multiplicity of services (Detroit records show over 200 activities in 1925) at a smaller figure? Will it, rather, tend to increase; particularly for education? It seems probable, in the light of so many popular demands for more and better public services, that the downward trend in the cost of our federal government cannot be applied consistently and successfully to our local governments.

THE TREND OF TAXES

The figures for a single year do not permit of comparisons to determine the trend of the property tax in cities. Detailed analysis was made, however, for the years 1923 and 1925 of the rates in 53 cities over 100,000 population reporting each year.

Of the 53 cities, 6 reported no change in rates in the three years. Of the remaining 47 cities, 27 reported an increase totaling $61.94 per $1000, and 20 reported a decrease totaling $52.67. The net increase, therefore, in seven cities was $9.27. For all the cities included, the net increase in the tax rate in the two-year period was 16½ cents per $1000. This appears to be a very low rate of increase, considering the many elements which may affect a tax rate.

A careful analysis of 200 cities for which complete data are available shows that the tax dollar is distributed, as was suggested last year, very nearly 40 cents to the city, 30 cents to schools, 20 cents to the county, and 10 cents to the state.

A concluding observation might be made relative to the availability of financial information for citizens and others. Generally, the tax rates and similar information are available, but in some instances it is astounding to note the difficulty of obtaining same. No wonder the public is uninformed or indifferent about its government! One correspondent wrote: "Our city auditor is the only person who can give you the information you are seeking." That auditor did not reply,—but worse, that city is in jeopardy.

Requests were sent to 247 cities and 13 Canadian cities, having a population of 30,000 and over in 1920. The Census Bureau recently reported 277 cities in the United States having that population on July 1, 1925, but the list was received too late to address enquiries to the 42 new cities (two cities have dropped below 30,000 since 1920). Subsequent compilations will be upon the basis of the 1925 census estimates, and the continued co-operation of all public officials be sought.

COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1925

COMPILED BY THE DETROIT BUREAU OF GOVERNMENTAL RESEARCH, INC.

From Data Furnished by Members of the Governmental Research Conference, City Officials, and Chambers of Commerce

	Census July 1, 1925	Assessed valuation	Per cent		Fiscal year begins	Date of collection of taxes	Tax rate per $1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis of assessment	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate
			Realty	Personalty			City	School	County	State	Total				
Group I Population 500,000 and over															
1. New York, N. Y.[1]	6,103,384	$12,140,856,093	98	2	Jan. 1	June 1 Dec. 1	$19.17	$5.38	$0.96	$1.25	$26.76	100	$26.76	92.5	$24.75
2. Chicago, Ill.[2]	2,995,239	1,788,275,485	77	23	Jan. 1, '24	Jan. 2, '25	41.40	30.30	5.80	6.50	84.00	50	42.00	75	31.50
3. Philadelphia, Pa.[3]	1,979,364	3,629,466,717	77	23	Jan. 1	Jan. 1	17.50	9.50	....	....	27.00	100	27.00	90	24.30
4. Detroit, Mich.[4]	1,242,044	2,757,664,010	79	21	July 1	July 1 Dec. 1	14.27	6.11	2.59	2.10	25.07	100	25.07	80	20.06
5. Los Angeles, Calif.[5]	1,195,344	1,374,750,565	82	18	July 1, '24	Oct. 15, '24	17.00	13.90	6.80	....	37.70	100	37.70	50	18.85
6. Cleveland, Ohio	936,485	2,149,390,230	68	32	Jan. 1	Dec. 20, '24 June 20, '25	10.80	5.94	2.25	2.91	21.90	100	21.90	85	18.62
7. St. Louis, Mo.	821,543	1,035,197,570	85	15	Apr. 8, '24	Nov. 1, '24	15.10	8.60	....	1.00	24.70	100	24.70	75	18.53
8. Baltimore, Md.[6]	796,296	1,543,064,251	60	40	Jan. 1	Jan. 1	21.67	4.13	....	2.73	28.53	100	28.53	90	25.68
9. Boston, Mass.	781,529	1,808,705,398	90	10	Feb. 1, '24	Oct. 15, '24	13.59	7.06	1.64	2.41	24.70	100	24.70	100	24.70
10. Pittsburgh, Pa.[7]	631,563	988,830,120	100	..	Jan. 1	Jan. 1	15.15	11.50	6.37	....	33.02	100	33.02	85	28.07
11. San Francisco, Calif.[8]	557,530	684,099,920	82	18	July 1, '24	Oct. '24 Jan. '25	28.62	6.08	....	....	34.70	100	34.70	50	17.35
12. Buffalo, N. Y.[9]	538,016	802,203,610	99	1	July 1	July 1	30.22	....	5.43	....	35.65	100	35.65	66	23.77
13. Milwaukee, Wis.	509,192	755,229,851	76	24	Jan. 1	Dec. 15, '24	16.32	8.80	4.56	1.92	31.60	100	31.60	76	24.00
Group II Population 300,000 to 500,000															
14. Washington, D. C.[10]	497,906	1,282,093,104	60	40	July 1, '24	Nov. '24 May '25	14.00	....	....	....	14.00	100	14.00	100	14.00
15. Newark, N. J.	452,513	660,233,508	82	18	Jan. 1	Apr. 15	18.61	9.09	5.40	4.70	37.80	100	37.80	100	37.80
16. Minneapolis, Minn.[11]	425,435	292,983,070	82	18	Jan. 1	Jan. 1	35.54	20.70	7.02	5.73	68.99	38	26.22	85	22.29
17. New Orleans, La.	414,493	476,710,669	68	32	Jan. 1	June 1	20.50	7.00	....	8.75	36.25	85	30.81	100	30.81
18. Seattle, Wash.[12]	411,578	244,057,734	80	20	Jan. 1	Mar. 1	33.04	14.28	12.60	10.62	70.54	50	35.27	96	33.86
19. Cincinnati, Ohio	409,333	884,789,400	68	32	Jan. 1	Dec. 20, '24 June 20, '25	8.42	6.59	3.65	.26	18.92	100	18.92	90	17.03
20. Kansas City, Mo.[13]	367,481	471,144,170	65	35	Apr. 18	June 1	12.50	11.50	4.30	1.00	29.30	100	29.30	74	21.68
21. Indianapolis, Ind.[14]	358,819	636,944,620	69	31	Jan. 1	May 1 Nov. 1	11.00	9.35	2.65	2.80	25.80	100	25.80	85	21.93
22. Rochester, N. Y.	316,786	471,478,774	100	..	Jan. 1	May 1	13.38	15.26	3.85	1.69	34.18	100	34.18	80	27.34
23. Jersey City, N. J.[15]	315,280	516,909,606	90	10	Jan. 1	Apr. 1 Dec. 1	22.23	....	7.34	4.78	34.35	100	34.35	100	34.35

Group III Population 100,000 to 300,000															
24. Toledo, Ohio[16]	287,380	541,335,720	70	30	Jan. 1	Dec. 20, '24 June 20	9.46	8.06	3.22	.26	21.00	100	21.00	75	15.75
25. Portland, Oregon[17]	282,383	309,470,855	82	18	Dec. 1, '24	Apr. 5, '25 Oct. 5, '25	17.20	10.60	7.60	5.60	41.00	100	41.00	60	24.60
26. Denver, Colo.	280,911	400,460,690	67	33	Jan. 1	Jan. 1	10.02	11.98	4.20	3.70	29.90	100	29.90	80	23.92
27. Columbus, Ohio	279,836	568,731,900	73	27	Jan. 1	Jan. 20 June 20	6.70	5.64	5.05	2.91	20.30	100	20.30	80	16.24
28. Providence, R. I.[18]	267,918	426,473,250	77	23	Oct. 1, '24	Oct. 1, '24	15.16	6.37	....	1.47	23.00	100	23.00	67	15.33
29. Louisville, Ky.[19]	259,259	350,000,000	72	28	Sept. 1, '24	Jan. 20, '25	14.30	6.20	4.00	5.00	29.50	100	29.50	90	26.55
30. Oakland, Calif.[20]	253,700	229,843,020	60	40	July 1	July 1	24.60	19.20	10.00	....	53.80	100	53.80	55	29.59
31. St. Paul, Minn.[21]	246,001	171,160,937	72	28	Jan. 1	May 31 Oct. 31	30.10	16.73	15.34	5.73	67.90	38	25.80	80	20.64
32. Atlanta, Ga.[22]	224,300	359,683,780	73	27	Jan. 1	May 1 Oct. 15	8.40	6.60	11.00	5.00	31.00	100	31.00	55	17.05
33. Omaha, Nebr.	211,786	337,171,702	87	13	Jan. 1	May 1	9.80	12.00	3.30	2.35	27.45	100	27.45	80	21.96
34. Akron, Ohio	208,435	318,361,150	65	35	Jan. 1	Dec. 20, '24	8.86	10.74	4.14	.26	24.00	100	24.00	70	16.80
35. Birmingham, Ala.	205,670	178,202,425	81	19	Oct. 1, '24	Oct. 1, '24	11.50	6.50	11.50	6.50	36.00	60	21.60	67	14.40
36. San Antonio, Texas	198,069	188,202,180	75	25	June 1, '24	Apr. 1, '24	17.20	8.50	8.00	8.00	41.70	50	20.85	75	18.77
37. Dallas, Texas	194,450	224,517,275	65	35	Jan. 1	Sept. 1	15.08	9.62	7.60	7.70	40.00	50	20.00	67	13.33
38. Worcester, Mass.	192,242	287,022,550	85	15	Dec. 1, '24	Oct. 10, '24	18.35	8.25	1.25	1.55	29.40	100	29.40	85	24.99
39. Richmond, Va.	186,403	303,809,569	63	37	Feb. 1	June 1 Dec. 1	13.50	7.50	....	2.50	23.50	100	23.50	67	15.67
40. Syracuse, N. Y.	182,003	261,603,558	99	1	Jan. 1	June 1	16.03	9.82	8.24	....	34.09	100	34.09	70	23.86
41. New Haven, Conn.	178,927	290,741,513	85	15	Jan. 1	Mar. 1 Sept. 1	14.00	10.00	.35	.65	25.00	100	25.00	100	25.00
43. Dayton, Ohio	172,942	326,731,830	75	25	Jan. 1	Dec. 20, '24 June '25	9.24	5.34	3.31	2.91	20.80	100	20.80	80	16.64
44. Houston, Texas	164,954	214,000,000	85	15	Jan. 1	July 1	18.75	10.00	....	16.40	45.15	50	22.58	50	11.29
45. Norfolk, Va.[15]	161,000	194,723,925	75	25	Jan. 1, '24	Nov. '24	27.50	....	....	2.50	30.00	100	30.00	67	20.10
46. Hartford, Conn.[23]	160,197	303,120,279	90	10	Apr. 1	July 1	13.83	5.79	.35	.82	20.79	100	20.79	80	16.63
47. Youngstown, Ohio	159,970	348,058,310	71	29	Jan. 1	June 1 Nov. 1	7.30	9.95	2.99	.26	20.50	100	20.50	70	14.35
48. Bridgeport, Conn.	155,000	257,173,589	78	22	Apr. 1	Apr. 1 Sept. 1	19.19	6.98	.36	.87	27.40	100	27.40	100	27.40
49. Fort Worth, Texas	154,847	152,431,000	75	25	Oct. 1, '24	Oct. 1, '24	15.40	10.00	9.00	7.70	42.10	50	21.05	80	16.84
50. Grand Rapids, Mich.	153,698	231,273,164	70	30	Apr. 1	July 1 Dec. 1	10.93	13.03	3.10	2.47	29.53	100	29.53	80	23.62
51. Des Moines, Iowa	149,183	188,023,860	75	25	Apr. 1	Apr. Sept.	12.97	15.81	6.72	2.50	38.00	100	38.00	75	28.50
52. Scranton, Pa.[?]	142,266	146,826,250	100	..	Jan. 1	Jan. 1	21.00	18.00	6.00	....	45.00	100	45.00	75	33.75
53. Springfield, Mass.	142,224	261,621,050	87	13	Dec. 1, '23	Oct. 15, '24	18.30	11.70	.93	1.57	32.50	100	32.50	100	32.50
54. Paterson, N. J.	141,695	190,304,005	80	20	June 1	June 1 Dec. 1	26.58	2.68	3.80	2.16	35.22	100	35.22	75	26.42
55. Nashville, Tenn.	136,220	149,664,260	75	25	Jan. 1	Aug. 1	15.90	1.60	9.50	....	27.00	100	27.00	75	20.25
56. Oklahoma City, Okla.	135,000	116,735,146	80	20	July 1, '24	Jan. 15, '25	15.03	15.52	9.70	2.50	42.75	100	42.75	45	19.28
58. Salt Lake City, Utah	130,943	186,763,676	79	21	Jan. 1	July 15	11.30	13.60	5.00	2.40	32.30	100	32.30	100	32.30
59. Flint, Mich.	130,316	159,390,520	77	23	Mar. 1	July 1 Dec. 1	13.53	13.29	5.52	2.46	34.80	100	34.80	70	24.36
60. Fall River, Mass.	129,662	206,542,250	60	40	Jan. 1	Jan. 1	17.07	7.67	.88	1.98	27.60	100	27.60	100	27.60
61. Camden, N. J.	128,642	165,642,342	84	16	Jan. 1	Apr. 1 Dec. 1	10.87	10.94	4.09	2.10	28.00	100	28.00	80	22.40
63. Kansas City, Kan.	123,743	131,126,187	79	21	Jan. 1, '25	Nov. 1, '24	11.90	16.00	4.50	2.30	34.70	100	34.70	50	17.35
64. Wilmington, Del.	122,049	120,517,425	100	..	July 1	July 1	15.60	3.40	7.60	2.50	29.10	100	29.10	100	29.10

SEE FOOTNOTES ON PAGE 762

COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1925—*Continued*

	Census July 1, 1925	Assessed valuation	Per cent		Fiscal year begins	Date of collection of taxes	Tax rate per $1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis of assessment	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate
			Realty	Personalty			City	School	County	State	Total				
65. New Bedford, Mass.	120,494	$217,527,400	60	40	Dec. 1, '24	Oct. 15, '24	$17.61	$6.30	$0.90	$1.59	$26.40	100	$26.40	100	$26.40
66. Cambridge, Mass.	120,053	158,452,100	87	13	Apr. 1, '24	Oct. 15, '24	19.37	8.79	1.40	3.74	33.30	100	33.30	100	33.30
67. Erie, Pa.	120,000	129,734,241	96	4	Jan. 5	Mar. 1	12.20	14.00	7.00	....	33.20	100	33.20	80	26.56
68. Albany, N. Y.	117,820	164,421,704	93	7	Jan. 1	Jan. 1	20.75	6.43	4.90	1.42	33.50	100	33.50	79	26.47
69. Yonkers, N. Y.	113,647	227,065,707	99	1	Jan. 1	Mar. 10	13.01	11.28	3.79	1.42	29.50	100	29.50	87	25.67
70. Reading, Pa.	112,707	106,000,000	100	..	Jan. 1	Mar. 1	13.00	13.00	4.00	....	30.00	100	30.00	50	15.00
71. Lowell, Mass.	110,542	140,446,920	74	26	Jan. 1, '24	Oct. 15, '24	19.19	7.07	1.37	1.77	29.40	100	29.40	100	29.40
72. Duluth, Minn.	110,502	79,996,836	73	27	Jan. 1	Jan. 1	23.66	27.20	10.61	5.73	67.20	38	25.54	80	20.43
73. Spokane, Wash.	108,897	86,549,924	75	25	Jan. 1	May 31 Nov. 30	18.00	14.20	11.74	11.66	55.60	50	27.80	84	23.35
74. Elizabeth, N. J.	107,000	125,617,596	86	14	Jan. 1	June 1 Dec. 1	15.06	9.25	4.77	3.72	32.80	100	32.80	100	32.80
75. Canton, Ohio	106,260	159,852,700	63	37	Jan. 1	Dec. '24 June '25	8.64	12.15	3.75	.26	24.80	100	24.80	60	14.88
76. San Diego, Calif.	106,047	121,537,414	86	14	Jan. 1	June 1	21.00	.....	25.30	....	46.30	100	46.30	50	23.15
77. El Paso, Texas	104,929	101,658,870	80	20	Mar. 1, '24	Jan. 1, '25	26.60	.....	9.40	7.50	43.50	50	21.75	100	21.75
78. Tacoma, Wash.[24]	104,455	60,070,347	77	23	Jan. 1	Feb. 1	26.73	14.50	20.58	10.35	72.16	50	36.08	100	36.08
79. Lynn, Mass.	103,147	115,891,075	85	15	Jan. 1, '24	Oct. 15, '24	18.11	9.47	1.60	2.62	31.80	100	31.80	100	31.80
80. Utica, N. Y.	101,604	120,382,758	100	..	Jan. 1	Aug. 1	17.10	7.87	4.97	1.83	31.77	100	31.77	68	21.60
Group IV Population 50,000 to 100,000															
81. Somerville, Mass.	99,206	99,311,000	91	9	Jan. 1, '24	Oct. 15, '24	16.90	7.59	1.00	3.21	28.70	100	28.70	100	28.70
82. Fort Wayne, Ind.	97,846	200,211,100	73	27	Jan. 1	May 4 Nov. 2	6.14	9.00	3.26	2.80	21.20	100	21.20	75	15.90
83. Knoxville, Tenn.	95,464	103,340,465	80	20	Oct. 1, '24	July 1, '25	24.40	....	10.70	....	35.10	100	35.10	65	22.82
84. Jacksonville, Fla.	95,450	75,781,580	82	18	Jan. 1	Dec. 1	21.90	22.50	19.50	10.50	74.40	50	37.20	80	29.76
85. Lawrence, Mass.	95,136	129,176,058	73	27	Jan. 1, '24	Oct. 1, '24	14.42	8.90	2.29	2.39	28.00	100	28.00	100	28.00
87. Evansville, Ind.	93,601	129,000,000	80	20	Jan. 1	May 1 Nov. 1	12.80	9.10	2.70	2.80	27.40	100	27.40	100	27.40
88. Savannah, Ga.	93,134	74,262,245	70	30	Jan. 1	Apr. 1 Oct. 1	19.00	5.00	12.50	5.00	41.50	100	41.50	60	24.90
89. Schenectady, N. Y.	92,786	177,184,503	100	..	Jan. 1	May 1	11.87	9.79	5.58	2.84	30.08	100	30.08	93	27.97
90. Allentown, Pa.	92,151	72,629,654	100	..	Jan. 1	June 1	11.25	15.00	3.00	....	29.25	100	29.25	80	23.40
91. Waterbury, Conn.	91,715	153,730,310	78	22	Jan. 1	May 1 Nov. 1	32.40	....	....	....	32.40	100	32.40	80	25.92
92. Long Beach, Calif.	91,182	164,700,910	87	13	July 1, '24	Oct. 12, '24	14.00	15.20	7.50	....	36.70	100	36.70	50	18.35
94. Harrisburg, Pa.	83,422	81,838,115	100	..	Jan. 5	Mar. 1 July 1	13.00	18.50	6.00	....	37.50	100	37.50	60	22.50
95. Manchester, N. H.	83,097	118,869,769	62	38	Apr. 1	Apr. 1	15.43	6.87	2.63	3.57	28.50	100	28.50	100	28.50
96. Hamtramck, Mich.	81,731	111,444,152	65	35	July 1	July 15	12.25	8.50	2.43	2.02	25.20	100	25.20	75	18.90
97. Peoria, Ill.	81,564	41,761,540	69	31	Jan. 1	Jan. 1	29.10	27.50	8.50	6.50	71.60	50	35.80	100	35.80
98. South Bend, Ind.	80,091	166,897,350	67	33	Jan. 1	May 4 Nov. 2	7.70	10.30	4.20	2.80	25.00	100	25.00	70	17.50

99. St. Joseph, Mo.	78,342	79,280,000	64	36	Apr. 20	May 5	12.50	12.25	7.85	1.10	33.70	100	33.70	60	20.22
100. Wilkes-Barre, Pa.	77,642	105,000,000	96	4	Jan. 2	Apr. 1	13.00	14.00	5.80	....	32.80	100	32.80	60	19.68
101. Gary, Ind.	76,870	139,244,070	65	35	Jan. 1	May 1 Nov. 1	10.45	13.20	5.40	2.80	31.85	100	31.85	60	19.11
102. Rockford, Ill.	76,462	44,017,500	66	34	Jan. 1, '24	Jan. 1, '25	26.50	27.40	11.70	6.50	72.10	50	36.05	50	18.03
104. Little Rock, Ark.	74,216	58,714,847	70	30	Jan. 1	Jan. 1	5.17	12.00	8.50	8.70	34.37	50	17.19	60	10.32
105. Charleston, S. C.	73,125	25,165,097	69	31	Jan. 1, '24	Oct. 1, '24	45.00	14.75	33.00	6.00	98.75	42	41.48	75	31.10
106. Highland Park, Mich.	72,289	197,923,950	46	54	July 1	July 1 Dec. 1	9.40	7.60	3.00	1.54	21.54	100	21.54	80	17.23
107. Sacramento, Calif.	72,260	91,844,290	86	14	Jan. 1	Oct. 20, '24 Jan. 20, '25	17.40	20.37	13.63	....	51.40	100	51.40	72	37.01
109. Wichita, Kan.	72,217	116,382,875	79	21	Jan. 1, '24	Nov. 1, '24	8.50	14.00	3.49	2.31	28.30	100	28.30	70	19.81
110. Saginaw, Mich.	72,100	88,571,102	77	23	July 1	July 1 Dec. 1	14.86	11.44	4.91	2.21	33.42	100	33.42	80	26.74
111. Binghamton, N. Y.	71,915	104,501,192	93	7	Jan. 1	Jan. 1 July 1	17.04	8.14	5.50	....	30.68	100	30.68	75	23.01
112. Johnstown, Pa.	71,475	80,223,000	93	7	Jan. 1	Mar. 1 July 1	13.90	14.50	6.00	....	34.40	100	34.40	80	27.52
113. East St. Louis, Ill.	71,423	108,625,055	80	20	Jan. 1	Mar. 1	43.30	33.00	7.50	6.50	90.30	50	45.15	100	45.15
115. Terre Haute, Ind.	71,071	91,000,000	75	25	Jan. 1	May 1 Nov. 1	10.20	14.30	7.95	2.80	35.25	100	35.25	75	26.44
116. Lansing, Mich.	70,753	143,711,190	75	25	May 1	July 1 Dec. 1	11.34	9.89	3.15	2.07	26.45	100	26.45	80	21.16
118. Winston-Salem, N. C.	69,031	130,000,000	45	55	June 1	Mar. 1	7.00	4.00	5.50	....	16.50	100	16.50	75	12.38
119. Passaic, N. J.	68,979	94,819,550	78	22	Jan. 1	June 1 Dec. 1	26.35	....	3.77	4.78	34.90	100	34.90	100	34.90
120. Springfield, Ohio.	68,725	95,477,460	66	34	Jan. 1	Dec. 20, '24 June 20, '25	6.70	10.85	3.89	.26	21.70	100	21.70	66	14.32
121. Chester, Pa.	68,507	63,898,005	100	..	Jan. 5	Jan. 5	9.00	12.00	4.00	....	25.00	100	25.00	70	17.50
122. Hoboken, N. J.	68,166	95,595,194	91	9	Jan. 1	Apr. 1 Dec. 1	23.65	11.44	7.52	4.89	47.50	100	47.50	75	35.63
123. New Britain, Conn.	68,039	98,188,515	73	27	Apr. 1	July 1	12.03	10.68	.25	.79	23.75	100	23.75	84	19.90
124. Racine, Wis.	67,707	83,609,400	79	21	Jan. 1	Jan. 1	8.50	9.18	4.57	1.48	23.73	100	23.73	74	17.49
126. Berkeley, Calif.	66,209	73,196,075	93	7	July 1, '24	Oct. 20, '24	12.30	3.50	30.80	....	46.40	100	46.40	60	27.84
127. Altoona, Pa.	66,148	65,004,837	100	..	Jan. 5	Mar. 1	7.50	12.00	7.50	....	27.00	100	27.00	60	16.20
129. Brockton, Mass.	65,731	68,216,200	83	17	Dec. 1, '24	Oct. 15, '24	26.95	9.71	1.71	1.43	39.80	100	39.80	80	31.84
130. Springfield, Ill.	63,923	29,531,565	71	29	Mar. 1, '24	Jan. 1, '25	33.40	31.00	7.60	7.60	79.60	50	39.80	50	19.90
131. Huntington, W. Va.	63,485	123,990,865	80	20	June 30, '24	Nov. 1, '24	5.00	10.00	3.30	1.40	19.70	100	19.70	80	15.76
133. Bethlehem, Pa.	62,828	63,578,758	95	5	Jan. 1	Mar. 1 July 1	11.50	13.00	5.00	....	29.50	100	29.50	75	22.13
134. Cicero, Ill.	62,238	13,003,535	68	32	Jan. 1	Mar. 1	53.40	29.30	5.80	6.50	95.00	50	47.50	60	28.50
135. Lincoln, Nebr.	60,941	102,151,750	76	24	Sept. 1, '24	Oct. 1, '24	7.75	15.00	1.33	2.35	26.43	100	26.43	80	21.14
136. Holyoke, Mass.	60,892	116,077,260	78	22	Dec. 1, '24	Sept. 25, '25	15.48	4.37	1.34	1.81	23.00	100	23.00	100	23.00
137. Quincy, Mass.	60,131	93,553,975	87	13	Jan. 1, '24	Oct. 15, '24	16.74	7.02	1.08	2.16	27.00	100	27.00	100	27.00
138. East Orange, N. J.	59,967	95,518,970	88	12	Jan. 1	June 1 Dec. 1	14.87	11.45	5.46	1.12	32.90	100	32.90	65	21.39
139. Portsmouth, Va.	59,029	42,790,359	83	17	Jan. 1, '24	Dec. '24	11.00	10.00	....	2.50	23.50	100	23.50	70	16.45
140. Fresno, Calif.	58,485	46,684,609	78	22	July 1, '24	Oct. 19, '24	21.55	8.90	33.40	....	63.85	100	63.85	50	31.92
142. Macon, Ga.[25]	58,237	46,891,429	79	21	Jan. 1	Apr. 15 Aug. 15 Dec. 15	15.00	....	18.00	5.00	38.00	100	38.00	60	22.80
143. Roanoke, Va.	58,203	67,910,580	70	30	Jan. 1, '24	Nov. 1, '24	22.50	....	....	2.50	25.00	100	25.00	50	12.50
144. Wichita Falls, Texas.	58,026	34,097,170	71	29	Apr. 1, '24	Oct. 1, '24	24.00	10.00	7.50	7.50	49.00	50	24.50	80	19.60
146. Shreveport, La.	57,857	102,000,000	60	40	Jan. 1, '24	Dec. 1, '24	10.50	6.00	6.50	5.25	28.25	100	28.25	50	14.15

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COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1925—*Continued*

	Census July 1, 1925	Assessed valuation	Per cent		Fiscal year begins	Date of collection of taxes	Tax rate per $1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis of assessment	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate
			Realty	Personalty			City	School	County	State	Total				
147. Niagara Falls, N. Y.	57,033	$113,661,150	100	..	Jan. 1	Nov. 1, '24	$10.23	$10.30	$5.84	....	$26.37	100	$26.37	100	$26.37
148. Lakewood, Ohio	56,774	139,528,790	88	12	Jan. 1, '24	Dec. 1, '24	6.77	8.67	2.91	$2.25	20.60	100	20.60	100	20.60
149. Pasadena, Calif.	56,732	145,656,910	78	22	July 1, '24	Oct. 8, '24	12.80	20.90	7.50	....	41.20	100	41.20	58	23.80
151. Wheeling, W. Va.	56,208	114,023,688	73	27	July 1, '24	Nov. 1, '24	7.56	9.50	5.00	1.40	23.46	100	23.46	70	16.42
152. Topeka, Kan.	55,411	79,338,194	89	11	Jan. 1, '24	June 20, '25 Dec. 20, '24	10.87	12.55	4.57	2.31	30.30	100	30.30	80	24.24
153. Augusta, Ga.	55,245	50,839,494	64	36	Jan. 1	Apr. 1 July 1 Oct. 1	18.00	13.00	8.00	5.00	44.00	100	44.00	50	22.00
154. Kalamazoo, Mich.	53,613	73,653,845	72	28	Jan. 1	July 1	12.00	13.27	5.01	2.40	32.68	100	32.68	80	26.14
157. Atlantic City, N. J.	53,287	208,887,104	95	5	Jan. 1	June 1 Dec. 1	16.01	4.51	8.97	2.11	31.60	100	31.60	100	31.60
158. Davenport, Iowa	52,241	65,830,900	83	17	Apr. 1	Sept. 1	27.00	30.19	13.56	5.75	76.50	50	38.25	65	24.96
159. Malden, Mass.	51,789	56,009,950	85	15	Jan. 1, '24	Oct. 15, '24	18.83	10.57	1.23	4.37	35.00	100	35.00	100	35.00
160. Oak Park, Ill.	51,423	19,049,150	87	13	May 1, '24	Jan. 1, '25	37.70	66.70	5.80	6.50	116.70	50	58.35	50	29.18
161. Kenosha, Wis.	50,891	58,156,540	73	27	Jan. 1	Jan. 1	14.10	11.79	3.72	1.39	31.00	100	31.00	65	20.15
162. Beaumont, Texas	50,615	49,926,080	79	21	July 1, '24	Nov. 1, '24	14.80	8.80	9.60	7.50	40.70	100	40.70	75	30.53
165. Decatur, Ill.	50,359	19,104,000	74	26	May 1, '24	Jan. 1, '25	42.70	38.50	6.70	6.50	94.40	50	47.70	67	31.80
Group V Population 30,000 to 50,000															
168. McKeesport, Pa.	49,097	42,690,190	100	..	Jan. 1	Mar. 1 July 1	11.50	16.50	7.63	....	35.63	100	35.63	75	26.72
169. Haverhill, Mass.	49,084	65,069,740	84	16	Jan. 1, '24	Sept. 15, '24	18.68	7.83	1.26	1.43	29.20	100	29.20	100	29.20
170. York, Pa.	49,074	47,250,835	96	4	Jan. 1	June 1	10.00	14.00	8.00	....	32.00	100	32.00	60	19.20
171. Charleston, W. Va.	49,019	105,675,738	82	18	July 1, '24	Oct. 15, '24 Apr. 15, '25	6.15	10.80	4.30	1.40	22.65	100	22.65	70	15.86
172. Bay City, Mich.	48,907	47,934,246	78	22	July 1	Aug. 1 Dec. 1	14.57	14.14	5.33	2.03	36.07	100	36.07	100	36.07
173. Galveston, Texas	48,375	56,271,065	75	25	July 1	Sept. 1	17.30	4.00	....	....	21.30	100	21.30	75	15.98
174. Elmira, N. Y.	48,359	44,678,695	95	5	July 1	July 1	15.95	12.88	9.94	....	38.77	100	38.77	80	31.02
175. Medford, Mass.	47,627	59,441,500	92	8	Jan. 1, '24	Nov. 1, '24	22.10	8.30	.70	2.10	33.20	100	33.20	90	29.88
176. Chelsea, Mass.	47,505	51,788,300	85	15	Jan. 1, '24	Oct. 15, '24	22.06	9.47	....	2.67	34.20	100	34.20	100	34.20
177. Pontiac, Mich.	47,455	46,714,609	76	24	Jan. 1	July 1	20.29	17.43	5.31	2.70	45.73	100	45.73	75	34.30
178. Stockton, Calif.	47,287	62,141,874	85	15	Jan. 1	Feb. 9	15.00	13.50	21.00	....	39.50	100	39.50	70	27.65
179. Pittsfield, Mass.	47,241	46,041,690	84	16	Jan. 1, '24	Oct. 15, '24	18.79	7.49	2.04	1.88	30.20	100	30.20	80	24.16
181. Newport News, Va.	47,083	44,355,710	74	26	Jan. 1, '24	Nov. 30, '24	13.60	9.50	....	2.50	25.60	100	25.60	60	15.36
182. Lexington, Ky.	46,895	47,271,990	82	18	Jan. 1	June 1 Oct. 1	15.43	8.37	8.00	....	31.80	100	31.80	50	15.90
183. Lima, Ohio	46,717	82,694,810	78	22	Jan. 1	Dec. '24 June '25	7.50	11.03	5.81	.26	24.60	100	24.60	80	19.68
187. Cedar Rapids, Iowa	45,556	58,354,064	84	16	Apr. 1, '24	Jan. 1, '25	11.50	21.75	6.13	2.87	42.25	100	42.25	60	25.35
188. Columbus, Ga.	44,244	44,909,483	70	30	Jan. 1	Aug. 1	12.00	6.00	8.00	5.00	31.00	100	31.00	54	16.65
189. New Rochelle, N. Y.	44,222	113,310,034	99	1	Jan. 1	Apr. 11	15.96	7.57	3.24	1.43	28.20	100	28.20	100	28.20
190. Fitchburg, Mass.	44,034	59,498,825	73	27	Dec. 1, '24	Sept. 15, '25	16.66	9.27	1.29	1.98	29.20	100	29.20	90	26.28

191. Waco, Texas	43,912	58,000,000	72	28	Oct. 1, '24	Oct. 11, '24	16.40	6.50	5.60	7.70	36.20	100	36.20	60	21.72
192. Evanston, Ill.	43,883	25,727,718	79	21	Jan. 1	Jan. 1	36.60	59.30	5.80	6.50	108.20	50	54.10	50	27.05
193. Pueblo, Colo	43,787	35,246,145	72	28	Jan. 1	Jan. 1 July 1	23.50	14.60	9.50	3.70	51.30	100	51.30	95	48.74
195. Jamestown, N. Y.	43,414	31,899,374	100	..	Mar. 1	June 1	16.80	23.23	8.03	2.33	50.39	100	50.39	60	30.23
196. Muskegon, Mich.	43,088	55,248,305	77	23	Jan. 1, '25	Dec. 1, '24	14.30	11.23	7.55	2.06	35.14	100	35.14	90	31.63
198. Salem, Mass.	42,821	52,391,680	80	20	Apr. 1, '24	Oct. 15, '24	20.15	9.85	1.62	1.88	33.50	100	33.50	100	33.50
200. Brookline, Mass.	42,633	127,427,100	87	13	Jan. 1, '24	Oct. 15, '24	10.93	4.78	1.36	2.93	20.00	100	20.00	100	20.00
201. Muncie, Ind.	42,491	60,420,840	57	43	Jan. 1	May 1 Nov. 1	20.40	....	3.40	2.80	26.60	100	26.60	100	26.60
203. Battle Creek, Mich.	42,336	54,785,990	74	26	July 1	July 13	10.00	14.20	4.50	2.81	31.51	100	31.51	75	23.63
204. Loraine, Ohio	42,259	59,961,145	70	30	Jan. 1	Dec. 20, '24 June 20	10.87	9.05	2.97	2.91	25.80	100	25.80	50	12.90
205. Springfield, Mo.	42,140	38,958,832	69	31	July 1	Sept. 1	9.50	11.50	5.30	1.00	27.30	100	27.30	70	19.11
207. Chicopee, Mass.	41,888	47,926,760	75	25	Dec. 1, '23	Oct. 15, '24	15.78	9.94	1.00	1.78	28.50	100	28.50	100	28.50
208. Columbia, S. C.	41,225	18,556,865	60	40	Jan. 1, '24	Oct. 15, '24	26.00	....	40.50	6.00	72.50	42	30.45	60	18.27
210. Joliet, Ill.	40,578	12,833,401	76	24	Jan. 1	Feb. 1	33.80	55.00	7.50	6.50	102.80	50	51.40	50	25.70
211. Aurora, Ill.	40,254	17,147,990	70	30	Jan. 1	Mar. 1	30.90	30.70	10.00	6.50	78.10	50	39.05	40	15.62
212. Rock Island, Ill.	40,073	11,838,959	70	30	Apr. 1	Feb. 1	25.70	40.00	12.00	6.50	84.20	50	42.10	60	25.26
213. Dubuque, Iowa	40,000	43,605,848	75	25	Apr. 1	Jan. 1	14.13	14.25	6.25	2.87	37.50	100	37.50	75	28.13
214. Superior, Wis.	39,671	46,031,803	80	20	Jan. 1	Dec. 15, '24	7.38	13.01	10.65	1.36	32.40	100	32.40	81	26.24
215. Taunton, Mass.	39,286	39,833,210	77	23	Dec. 1, '24	Oct. 15, '24	18.56	7.24	.96	1.84	28.60	100	28.60	100	28.60
217. New Brunswick, N. J.	37,984	34,538,425	88	12	Jan. 1	June 1 Dec. 1	18.30	12.90	9.60	4.80	45.60	100	45.60	60	27.36
220. Wilmington, N. C.	37,061	43,599,119	90	10	June 1, '24	Oct. 1, '24	10.00	7.21	5.29	....	22.50	100	22.50	85	19.13
221. Danville, Ill.	37,021	13,306,065	66	34	May 1, '24	Jan. 1, '25	29.10	31.70	7.30	6.50	74.60	50	37.30	65	24.25
222. Ogden, Utah	36,869	38,764,505	67	33	Jan. 1, '24	Oct. '24	11.00	15.90	5.33	3.07	35.30	100	35.30	75	26.48
226. Auburn, N. Y.	36,192	27,943,612	100	..	July 1	July 1	17.48	11.25	11.81	....	40.54	100	40.54	70	28.38
228. Hazleton, Pa.	36,143	27,008,427	93	7	Jan. 5	Apr. 1	11.00	20.00	13.01	....	44.01	100	44.01	60	26.41
229. Petersburg, Va.	35,712	41,127,785	61	39	July 1	July 1	15.00	5.00	....	2.50	22.50	100	22.50	71	15.98
230. Poughkeepsie, N. Y.	35,670	43,414,074	100	..	Jan. 1	Feb. 15 Aug. 15	18.20	9.45	7.31	....	34.96	100	34.96	80	27.97
231. Orange, N. J.	35,379	33,682,416	90	10	Jan. 1	June 1 Dec. 1	19.81	11.82	5.40	4.77	41.80	100	41.80	80	33.44
232. Amsterdam, N. Y.	35,260	30,278,250	100	..	Jan. 1	Aug. 1	10.69	19.78	10.62	....	41.09	100	41.09	60	24.65
233. Lewiston, Me.	34,932	31,897,709	80	20	Mar. 1	Aug. 20	18.00	5.00	2.00	7.00	32.00	100	32.00	67	21.33
236. Green Bay, Wis.	34,290	47,725,000	76	24	Jan. 1	Mar. 1 Dec. 15	12.65	9.28	7.07	....	29.00	100	29.00	100	29.00
237. Moline, Ill.	33,910	12,030,106	68	32	Apr. 1, '24	Feb. '25	29.10	40.00	12.00	6.50	87.60	50	43.80	50	21.90
238. Sheboygan, Wis.	33,535	39,913,139	67	33	Jan. 1	Jan. 1	15.81	12.76	4.55	1.30	34.42	100	34.42	100	34.42
240. Watertown, N. Y.	32,836	43,916,990	99	1	July 1	July 1	15.40	10.60	7.51	1.69	35.20	100	35.20	87	30.62
241. Muskogee, Okla.	32,175	31,124,616	80	20	July 1	June 1 Nov. 1	15.61	15.10	8.95	2.50	42.16	100	42.16	60	25.30
242. LaCrosse, Wis.	30,421	41,888,883	69	31	Jan. 1, '25	Dec. 1, '24	15.76	8.40	4.81	1.03	30.00	100	30.00	80	24.00
243. Newburgh, N. Y.	30,419	29,519,390	100	..	Jan. 1	Jan. 1	23.20	....	8.70	....	31.90	100	31.90	80	25.52
244. Lynchburg, Va.	30,395	31,766,613	92	8	Feb. 1	Aug. 20	11.00	10.00	....	2.50	23.50	100	23.50	50	11.75
245. Colorado Springs, Colo.	30,105	39,798,800	83	17	Jan. 1	Jan. 1 July 1	14.30	14.55	8.67	3.70	41.22	100	41.22	80	32.98

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COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1925—*Continued*

	Census July 1, 1925	Assessed valuation	Per cent		Fiscal year begins	Date of collection of taxes	Tax rate per $1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis of assessment	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate
			Realty	Personalty			City	School	County	State	Total				
Canadian Cities															
1. Montreal, Que.[26]	864,527	$766,598,616	100	..	Jan. 1	May 1	$14.00	$10.00	....	....	$24.00	100	$24.00	100	$24.00
2. Toronto, Ont.[27]	549,429	809,007,346	100	..	Jan. 1	May 4 July 4 Sept. 4	20.15	9.70	....	....	29.85	100	29.85	75	22.39
3. Winnipeg, Man.[28]	195,148	234,493,510	100	..	Jan. 1	June 15	13.49	12.45	....	$3.56	28.50	80	22.80	100	22.80
4. Vancouver, B. C.[29]	126,747	212,153,265	100	..	Jan. 1	Aug. 4	19.86	8.64	....	....	28.50	100	28.50	82	23.37
5. Hamilton, Ont.[30]	122,495	150,359,880	100	..	Jan. 1	July 1 Sept. 1	20.19	12.31	....	....	32.50	100	32.50	100	32.50
6. Ottawa, Ont.[31]	118,088	141,615,642	85	15	Jan. 1	June 18 Nov. 18	20.80	10.90	....	....	31.70	100	31.70	67	21.13
7. Quebec, Que.[32]	118,000	96,936,377	100	..	May 1, '24	Nov. 1, '24	19.10	9.50	....	....	28.60	100	28.60	100	28.60
10. Edmonton, Alb.[33]	65,378	59,834,540	100	..	Jan. 1	May 1	24.23	21.77	....	....	46.00	100	46.00	80	36.80
11. St. John, N. B.[34]	60,525	53,300,000	88	12	Jan. 1	July 20	13.70	9.30	$8.00	....	31.00	100	31.00	100	31.00
12. Halifax, N. S.	57,564	57,540,205	100	..	May 1	May 1	20.30	9.60	.90	....	30.80	100	30.80	100	30.80
13. Victoria, B. C.[35]	38,750	56,497,578	100	..	Jan. 1	Aug. 15	29.25	10.05	....	....	39.30	76	29.87	100	29.87

[1] *New York City.* The assessed valuation given is exclusive of $803,625,400 of dwellings exempted from local taxation until 1932 but assessed for state tax. The official computation gives a single rate; the rate for county purposes is computed as the ratio of county appropriation to total assessed valuation; the rates for city and schools are in proportion to appropriations. In addition to the rate given, levies are made on the several boroughs and city at large for local improvements, ranging from 14 cents to 34 cents. The ratio of assessed to legal basis of value is upon the state equalization of 1924.

[2] *Chicago.* The city rate includes sanitary district, forest preserve district and South Park district rates; the rate given is for South Park district (central business district and greater part of South Side). Rates in other parts of the city are slightly higher because of variations in the park rate.

[3] *Philadelphia.* The city rate includes the cost of county government, which is consolidated with the city. The rates given are on city realty, comprising 95 per cent of all realty; suburban realty (4 per cent of all realty) is taxed at two-thirds, and farm realty (1 per cent) at one-half, of the rate on city realty,—except that property in poor districts (having local poor taxes) is further relieved of such poor levies. There is a 4-mill tax on money at interest and vehicles to hire, comprising the personalty valuation. In all, there are eighteen different total tax rates on real estate, fixed by seven tax-levying bodies. There is no state tax on realty in Pennsylvania.

[4] *Detroit.* The population is as at May 31st, by special census under supervision of the Census Bureau.

[5] *Los Angeles.* The population is a local estimate,—no estimate was made by the Census Bureau. The city rate includes flood control rate of 70 cents. There is no state tax on real estate in California.

[6] *Baltimore.* The city rate includes the county, which is consolidated with the city; also debt service, including school debt. There are several rates applied to nine bases of assessed valuation,—at full rate ($25.80), $751,034,958 (one-third of area of city); at 72 per cent of full rate, $208,350,291; at two-thirds of full rate, $53,843,495; at one-third of full rate, $41,801,595. There are five bases of assessed valuation on bank and trust company shares, securities and deposits, $488,033,912. Personal property of manufacturers is exempt from taxation.

[7] *Pittsburgh, Scranton.* By act of legislature, the city was required to assess a rate upon buildings for 1914 and 1915 equal to 90 per cent of the rate upon land; in 1916, 1917 and 1918, at 80 per cent; and at 10 per cent less each triennial assessment thereafter until 1925, when the tax levied upon buildings equals one-half that upon land. Machinery is exempt from taxation.

[8] *San Francisco.* The city rate includes the county, which is consolidated with the city; also debt service, including school debt.

[9] *Buffalo.* The city rate includes school; the county rate includes state (division not furnished).

[10] *Washington.* Appropriations for the District of Columbia are made by Congress, 60 per cent of the total being raised by taxation, and 40 per cent paid by the Federal Treasury. The rate given is for realty and tangible personalty; intangible personalty, $379,801,289, is taxed one-half of one per cent. Banks, trust companies, and public service corporations are taxed at various rates on earnings or receipts. Details of the total rate were not furnished.

[11] *Minneapolis.* Real estate is assessed at 40 per cent of true value and personalty at 25 per cent to 33⅓ per cent. Money and credits (not included in the valuation) are taxed 3 mills on the dollar. The total rate varies slightly in parts of the city due to varying rates for street maintenance.

[12] *Seattle.* The population is a local estimate,—no estimate was made by the Census Bureau. The city rate includes $1.40 port rate.

[13] *Kansas City.* The valuation given is for city purposes; the valuation for school, county and state purposes is $587,389,777.

[14] *Indianapolis.* The rates given are for Center Township, the city rate including a 45-cent rate for township. There are five tax rates in five townships which comprise the city, four townships (other than Center) lying partially within the city but largely outside.

[15] *Jersey City, Norfolk.* The city rate includes schools.

[16] *Toledo.* The city rate includes 25 cents for university.

[17] *Portland.* The city rate includes $2.30 dock rate and $2.40 port rate.

[18] *Providence.* There is no county government in Rhode Island. In addition to the rates given, $4 per $1,000 is assessed on an intangible valuation of $133,123,820 not included in the valuation given.

[19] *Louisville.* Of the total valuation, $19,000,000 is shares of stock of banks and trust companies, taxed $4 per $1,000 for schools and $2 for city.

[20] *Oakland.* The county rate includes $1.20 utility district.

[21] *St. Paul.* See Note 11. Moneys and credits, $85,858,540, not included in the valuation reported, are taxed $3 per $1,000.

[22] *Atlanta.* The school rate is estimated; schools receive 26 per cent of total city revenues.

[23] *Hartford.* In addition to the tax reported, the city raises, through levy and collection by the state treasurer, a one per cent tax upon a corporation stock valuation of $192,653,059, which is the taxable valuation of the stock of certain corporations held by residents.

[24] *Tacoma.* The city rate includes $1.50 port and $1.50 park.

[25] *Macon.* The county rate includes school.

[26] *Montreal.* The population of the Canadian cities is the local estimates for 1924, usually made by a census department. The school rate given is the Protestant rate, the Catholic rate is $7.00; and the Neutral (comprising business corporations) rate is $12.

[27] *Toronto.* Realty valuation includes 8.7 per cent income and 10.3 per cent business. For school levy, the valuation is increased $62,161,905, the value of dwellings up to $4,000 valuation exempt for general purposes.

[28] *Winnipeg.* Land, valued at $132,997,590, is assessed at 100 per cent; improvements are assessed at 66⅔ per cent; the weighted average being 80 per cent.

[29] *Vancouver.* Land, valued at $126,184,510, is assessed at 100 per cent; improvements are assessed at 50 per cent; the weighted rate being 82 per cent. The actual rate was $31.67, but was reported $28.50 because over 90 per cent was paid before expiration of discount period.

[30] *Hamilton.* Realty valuation includes 6.3 per cent income and 9.1 per cent business.

[31] *Ottawa.* The total rate given is for public (Protestant) school supporters; the rate for Separate schools is $4 higher.

[32] *Quebec.* The city rate includes $5 for water, and 60 cents for local improvement rate.

[33] *Edmonton.* Land, valued at $36,660,080, is assessed at 100 per cent; improvements are assessed at 60 per cent, the weighted rate being 80 per cent. In addition to the rate given, there is a Province supplementary revenue tax of $2 on land only.

[34] *St. John.* Realty valuation includes 31.5 per cent income.

[35] *Victoria.* Population estimate is for 1921. Land, valued at $29,107,858, is assessed at 100 per cent; improvements are assessed at 50 per cent, the weighted average being 76 per cent.

RECENT BOOKS REVIEWED

A Report Upon the Administration of Delinquent Personal Tax Collection in Cuyahoga County, Ohio. Ohio: Municipal Research Bureau of Cleveland, 1925. 77 pp. Mimeographed.

This report was prepared at the request of the auditor of Cuyahoga County and is designed first to describe the present law governing delinquent personal tax collections in that county, the administrative organization and procedure thereunder, and the results achieved; and second to suggest changes in both law and administration with a view to making better results possible. The writer seems to have kept both objects clearly in mind and to have refrained from discursive flights into the tempting field of the shortcomings of the tax on personal property in general.

In spite, however, of the rigidity with which the report adheres to its narrowly limited scope, it contains material of interest not only to the officials at whose request it was made but also to all officials who are confronted by the difficult problems involved in the collection of personal property taxes. Furthermore, it should prove of interest to students of the survey method because of the manner in which it utilizes the poorly organized material at hand in the official records into a substantial fact basis for its conclusions and recommendations. Finally, students of public finance will find in the report new ammunition for use in their attacks on the personal property tax as a whole. No advocate of an adequate budget system, for instance, can fail to be impressed by the fact that a balanced budget is impossible in connection with a tax system which compels financial officers, every half decade or so, to write off as uncollectible an aggregate of delinquent taxes equivalent to one fourth of the amount levied for one year.

Philip H. Cornick.

Municipal Aid to Music in America. By Kenneth S. Clark. Published by the National Bureau for the Advancement of Music. New York, 1925. Pp. 297.

"Municipal Aid to Music in America" has made its appearance at a strategic time. There is an awakening interest in music as a community activity. There is a growing feeling that music can and should be more widely used as an educational medium, cultural force and recreational activity. With the rapid adoption of music as a part of the community recreation program municipalities are appropriating money for bands, orchestras, choral societies, community singing and concerts. Mr. Clark's book will be an invaluable aid to city officials giving thought to music. It is not a theory of what cities should do, but a report of what cities are doing.

In the preliminary chapters, written in a very readable style, Mr. Clark briefly outlines the growth of the present movement for municipal music, gives a picture of several successful city music departments and at the same time gives valuable suggestions about how other cities may go and do likewise.

The chapter on permissive legislation is a storehouse of information for those who are faced with legal difficulties in securing tax funds for music.

The section giving reports on work done by typical music systems is well selected testimony from local leaders in cities where municipal music is carried on successfully.

The whole book is based upon a study carried on by questionnaire sent out to mayors of cities with a population of 5,000 or more. The replies are listed by states and cities and the reader can readily get the facts about municipal music in any given city reporting.

"Municipal Aid to Music" furnishes facts, ideas and methods about a movement to democratize music in America and should be read by all to whom this idea commends itself.

T. E. Rivers,
Playground and Recreation Association of America.

Social Problems of Today. By Grove Samuel Dow and Edgar W. Wesley. New York: Thomas Y. Crowell Co., 1925. Pp. xvi, 337.

A university professor and a high school teacher have co-operated in this book on "human association, its origin, development, forms and functions." It is intended for the last year of the high school and originated out of a feeling that the "problems" books written for that year and containing discussions of economics and

government as well as sociology, are not well suited for the purposes in mind. The authors think that sociology alone should be treated in the text; or rather that at least half a year should be given to sociology alone. One of the difficulties with their position is that many insist on including both government and economics in the last year of the high school. Consequently, there being generally only two terms in a year, three subjects are demanding separate recognition when there is place for only two. From the standpoint of those interested primarily in government, this is unfortunate, for it results too often in economics and sociology being placed in the last year of the high school, and in government being tacked on to American history lower down in the system.

This text is conveniently divided into fifteen chapters of something like equal length; and, with a few exceptions, each treats of a separate social problem. Among these are the influence of geographical environment, heredity, increase in population, immigration (in two chapters), migration to the cities, the Negro, the family and divorce, industrial organization, women and children in industry, and poverty. At the end of each chapter is a list of questions to stimulate study, some topics for special reports, and a well-selected bibliography. The book is well illustrated from pictures made by Lewis W. Hine. The meaningless picture of public buildings and public men seems to be absent, its place being taken by pictures of action or of conditions.

Such a book will stir the interest and stimulate the imagination of any well-meaning lay reader and his first disposition is to say, "This ought certainly to be put into the schools." The trained educator is likely to be more cold-blooded about it and to say, "This is interesting to you because you have been observing social problems for many years. You approach the book with a wide experience and some philosophy. To teach it will not, however, be the best means of approach to social progress. It is better to teach the youngsters more definite, constructive things,—such as economics and government. This is pathology and will depress and devitalize the lives of the young citizens." Of these two views no one knows which is true. Each is a subjective impression.

The leading argument for teaching sociology in the schools is based on the supposition that information about the ills of society will result in an effort on the part of the citizen to find means of solving them. In his search for means of solving them, he will study government and his study of it will result in his learnin gthe scientific principles of its organization and reorganization. The answer to this argument is that, as a matter of fact, the results do not follow the causes as the advocates of the teaching of mere problems claim. We have been brought face to face with the problems for generations and those who see them have not made a serious effort to learn the scientific principles of government. The state of New York has confronted its sad lack of administrative organization long enough to provide for scientific reorganization if mere *seeing the problem* would bring support for improvement. It was necessary to go through the back-breaking process of teaching grown people elementary scientific principles even to provide a hope that reorganization may result. The teacher of government claims that the last year of the high school is the place to teach the principles of politics before the mind is hardened into prejudices and superstitions. The citizen will then later be brought clearly enough to see the problems and abuses. When he sees them, he will remember his simple elementary principles of scientific attack on them and will apply these principles. The argument for either position is wholly *a priori* and theoretical. One must take his choice between two theories.

ITEMS ON MUNICIPAL ENGINEERING

BY W. A. BASSETT

Planning of Water and Sewerage Districts.—Sound advice in the matter of planning for water supply or sewerage improvements designed to serve a district rather than a single municipality is contained in the plan recommended by Mr. Clemens Herschel to meet the water supply problems of the New Jersey Metropolitan District. The essential features of the plan as outlined in the *Engineering News-Record* of September 10 are:

(1) To create a "Metropolitan Water Supply District of the State of New Jersey," to consist "of all municipalities wholly or partly within" 20 miles of a named point on the Jersey City water front, and a commission of "three skilled and competent men," to be appointed by the governor, with the approval of the Senate, the commission to be authorized to supply water at wholesale to municipalities or companies within the district, and to build works, condemn property, buy out companies, etc.; and (2) to have the State of New Jersey, if the people of the state so vote, issue $50,000,000 of state bonds, not over $10,000,000 in any one year, to finance the district water-works, the capital charges and operating expenses to be annually assessed by the state authorities against each community supplied, according to the amount of water it has taken during the year. Existing supply works of communities entering into the new supply scheme would be taken over by the district, with proper compensation. Municipalities within the district would be compelled to take water for domestic purposes from the district unless specifically exempted from doing so by the legislature. No town now supplied by a company owning the distribution system in the town could contract with the district until it had acquired the works of the company.

There is nothing particularly new in this proposal but its soundness cannot be questioned. Moreover, it is equally applicable to either sewerage or water supply projects and does away with the cumbersome conditions which have arisen in connection with the administration of the Passaic Valley Sewer in New Jersey, particularly in the allocation of the cost of that work.

*

Construction of Philadelphia-Camden Bridge Suspended.—Disagreement over the matter of collecting tolls from traffic that will use the Philadelphia-Camden Bridge will probably result in a suspension of work on that structure upon completion of contracts already awarded. This situation has been brought about as a result of action taken on September 1 by the New Jersey Interstate Bridge and Tunnel Commission refusing to participate further in the authorization of work on that project until the tolls question has been settled and New Jersey's right to collect tolls fully recognized. The latter state favors the collection of tolls to help defray the cost of its two joint undertakings—the Philadelphia-Camden Bridge and the Holland Vehicular Tunnel at New York. The Pennsylvania legislature, however, at its session this year went on record as in favor of a free bridge. This controversy is likely to result in a regrettable delay in the completion of this important project as the Pennsylvania legislature meets biennially which means that further action in the matter will have to be deferred until 1927 unless a special session is called. It would seem that the stand taken by the State of New Jersey in this matter is by all odds the more rational and defensible one. It simply means that the burden of financing this great improvement would be met largely by those receiving the greatest benefit from its consummation, namely, the users, in place of meeting its cost out of general taxation. Certainly no one can question the equity of collecting tolls on a bridge that is bound to carry an extensive through, as well as local, traffic.

*

State Legislatures as Rate-Makers for Public Utility Enterprises.—Unintelligent state legislation is enacted all too frequently. Fortunately, the public laws of this character are rather more stupid than harmful. However, occasionally a measure is enacted so inimical to the public interest that subsequent legislative action is necessary to correct the mistake made. For that reason it behooves the public always to be on guard in this matter, and the good people of the state of Massachusetts should consider carefully the merits of a bill filed by Representative Martin Hays of Brighton, Massachusetts, for introduction at the next session of the state legislature, entitled: "An act to curtail the powers of the department of public utilities."

This act if passed would make all orders of the state commission in respect of such matters as rates or utility financing, subject to review and approval by both branches of the state legislature. It would be difficult to conceive of a more unwise proposal. As commented on editorially in a recent number of the *Engineering News-Record:*

The plan proposed is futile and unworkable; it breaks down by its own weight and weakness. Before adopting or rejecting the advice of the commission would each of the scores of members of the two houses review all the evidence in each of 125 or 150 cases acted on yearly by the commission? Otherwise how could the members of the legislature vote intelligently at each of the 125 to 150 roll calls? And if the members of a small body of commissioners, appointed solely to administer the utility laws of the state, may be subject to "skillful manipulation of high-priced attorneys," then how about the members of the legislature? Would the legislature set up and follow standards for capitalization and earnings applicable to the entire state? If not each case would have to be considered by the legislature on its individual merits, which would include traversing all the testimony taken by the commission and possibly the holding of legislative hearings, which would mean confusion worse confounded.

There are still many vexatious problems of public utility regulation remaining to be solved. However, such progress as has been made in these matters during recent years has been due to the intelligent work of the various state public utility commissions. In the event that there is marked public disagreement with the findings of the Massachusetts department of public utilities there is always recourse to adjudication of such matters by the courts. It would seem preferable to trust the judgment of a public service commission on matters relating to the public interest, rather than the collective wisdom of the average state legislature.

✠

Recommended Legislation to Ensure Structural Safety in Building.—Requirements of legislation designed to safeguard building operations and ensure structural safety, while simplifying the governmental problem of controlling these activities are outlined in a report of the Joint Committee on Structural Safety, representing architectural and engineering societies of the New York Metropolitan District. The conclusions of the committee, submitted for consideration and discussion, recommend the preparation of legislation governing the granting of building permits and regulating their use, embodying substantially the following requirements:

I. The owner shall be the applicant for the building or construction permit and shall be required to accompany his application for such a permit with the following:
   1. Adequate plans and specifications prepared and signed by a competent registered architect or a licensed professional engineer experienced in structural design, hereinafter called the designer.
   2. A definite undertaking executed in legal form stipulating that, if the permit is issued to the applicant, he will have all working or shop drawings covering parts and details essential to the stability of the building and required to supplement the plans which accompanied his application, fully checked, approved and signed by the designer; that he will place the execution of the work under the direct supervision and continuous control of the designer; and that he will further undertake, with the cooperation of the designer and by employing only competent contractors and workmen to perform faithfully the work proposed in strict accordance with the plans and specifications, in compliance with all requirements of law, and with due regard to public safety.

II. Before a certificate of occupancy is issued by a bureau of buildings, or by state or local authorities having jurisdiction, the owner shall furnish to such authorities a duly executed certificate, signed by the designer, stating that he has faithfully supervised the entire work of construction, that it has been executed in accordance with the plans, specifications and working drawings duly signed by him, and that to the best of his knowledge and belief the finished work complies with all the requirements of law and is structurally safe for the use specified.

III. Failure on the part of the owner to comply with any of the above specified requirements shall be regarded as presumptive evidence of a violation of law, constituting a penal offense, and shall be punishable as such.

IV. If at any time after the certificate of the designer has been filed, conclusive evidence is furnished to the state licensing authorities that any statement in such certificate was false and intended to deceive, these authorities shall immediately take the nccessary legal steps to have the signer put on trial for perjury, shall forthwith have his name stricken from the list of registered architects or licensed professional engineers, and shall give their action effective publicity.

NOTES AND EVENTS

BY A. E. BUCK

The Kansas City Election.—We are informed by Nat Spencer, secretary of the Citizens' League of Kansas City, that former Mayor Albert I. Beach, Republican, has been re-elected over Ben Joudon, Democrat and present city treasurer. The vote was very close; Mayor Beach's majority being only 548. Although party names were not often referred to during the campaign, the keenest kind of partisan spirit was manifest. The opposing parties became known as the "Beach group" and the "Joudon group." The Beach group had the advantage of a fairly successful administration. It appears that this group elected the mayor and four councilmen, while the other group elected five councilmen. The Joudon group, it seems, will have control of the council of nine, although this is not yet certain, since the election of one councilman of this group is being contested by the other group.

It is reported that the newly elected officials are as a whole high-grade citizens, although more or less animated by partisanship. Practically all of them are pledged to give the new charter a full and fair trial. If the campaign pledges are adherred to, it is assumed that the city will have a good council regardless of whether it is dominated by one or the other group.

⚜

Westchester and Nassau County Charters Rejected.—The proposed charters for both Westchester and Nassau counties (N. Y.) were rejected at the recent election. The Westchester charter was defeated by only about 5,000 votes, while the Nassau charter was defeated by a 2 to 1 vote. The rejected county charters were drafted by non-partisan commissions and were submitted to the people under an amendment to the state constitution approved in 1921. Both Westchester and Nassau have special problems in county government because of their large populations, their wealth and their proximity to New York City. Many people believe that unless a more efficient government than any which can be expected under the supervisor system is installed the two counties will some day be incorporated in the larger city. But apparently the majority of the voters had grave doubts about the type of government that would result under the proposed charters and refused to vote for them. In Westchester there was a prolonged and heated campaign over the adoption of the proposed charter.

⚜

Ohio Amendments Defeated.—On November 3 the voters of Ohio defeated the three proposed amendments to the state constitution. One of these was the debt limitation amendment which sought to write into the constitution the restrictions already imposed under the Griswold law. The amendment embodied two propositions: "No borrowing for current expenses" and "no bonds running longer than the life of the assets acquired." This amendment was criticised as being non-essential under the existing laws.

Another amendment provided for a four-year term of office for elective state and county officials. The main argument for this amendment was that it would enable the administrative officers to become more familiar with their duties and therefore to render better service during at least part of their term. The opposition claimed that a four-year term for the governor and a two-year term for the legislature would increase the probability that the two branches of government would differ politically, with detrimental effect upon legislative action. Governor Donahey vigorously attacked this amendment as an "office grab," engineered by politicians for their own benefit. Generally, the amendment seems to have been regarded as "a makeshift proposition which did not go to the bottom of the difficulties it sought to correct."

The third amendment proposed to remove intangible property from the application of "the uniform rule"; it was generally referred to as the "classification amendment." Since for many years this property had not been reached under the uniform rule, it was proposed to give the legislature power to try other methods. The *Cleveland Plain Dealer*, which supported this amendment, says:

Nothing is clearer than that modification of the old uniform rule of the 1851 constitution is necessary before anything like a sound program

of tax revision can be undertaken in this state. This archaic rule, designed when Ohio was almost exclusively an agricultural state, completely blocks any program of tax reform.

It is thought that the classification amendment would have been adopted if it had not been for Governor Donahey's hostility to it. It ran strongest of the three submitted. The vote defeating all three of the amendments is interpreted as a repudiation of the Republican assembly which submitted them.

Manager Charter of Boulder, Colo., Sustained.—A recall election was held on the Boulder city manager charter on November 3, which resulted in sustaining the charter by 425 votes. The opponents of the charter cast about 56 votes less than they did at the previous special election, and the proponents of the charter about 1,000 votes less. This was due to the fact that the people did not get out and vote in the election. The fight was mainly on personalities rather than on the charter. Many people lost interest in the election on this account. The Hare system of voting seems to have been one of the main points of attack.

Report on Municipal Policy of Brookline, Mass.—A special committee, constituted early in 1924, has completed and published a report on the municipal policy of the town of Brookline, Mass. This committee consisted of the moderator, the town clerk, the selectmen, and five citizens appointed by the moderator. Special mention is made of the work of Albert F. Bigelow, executive chairman of the committee, in shaping up the final report.

This report is devoted largely to a statistical study of the finances of Brookline. The expenditures of the town are compared with those of other cities and towns in the United States and in Massachusetts. In the country as a whole, Brookline stands second in per capita cost of operating expenses, Atlantic City being first. The report presents a brief analysis of the revenues and expenditures of the town. This is fully supported by statistical tables and charts. Many suggestions are made for increasing the working efficiency and for decreasing the operating costs of the various departments of the town government. The recommendations are summarized in an orderly and clear-cut manner. An interesting résumé of the town's history is given in the early part of the report. From this we note that Brookline is almost three centuries old, having been founded in 1630.

The report is concise and readable. It consists of 59 pages, supported by 57 pages of statistical matter, a total of 116 pages. Municipal research organizations over the country should have a copy of this report in their files for reference. Executive and financial officers of cities comparable in population and conditions to Brookline would do well to study this report.

Prospect Union Educational Exchange.—The Prospect Union Association of Cambridge, Mass., has undertaken the operation of the first known educational clearing house. An office is maintained through which educational advice and vocational guidance are offered to working men and women in Greater Boston. An annual catalog is published in which are listed the evening and part-time courses of a large group of carefully investigated schools. The catalog, just published, lists 2,300 classes and contains 147 pages. It is distributed among educators, teachers, ministers, social workers and other interested individuals, as well as to working men and women directly and through public libraries, factories, stores and offices. It is reported that many thousands of working people have already availed themselves of this service.

The Exchange is now in its third year. It is financed solely by its endowment, no fees being charged for its services. Its prime purpose is to bring each citizen in touch with the educational opportunity that he most needs. The results already attained indicate that it is a success.

City Managers Hold Twelfth Annual Convention.—The city managers of the United States and Canada held their twelfth annual convention at Grand Rapids, Mich., on November 17–19. C. Wellington Koiner, president of the City Managers' Association, included in his annual address a report on a recent tour of European cities. Mr. Koiner attended the third International Congress of Cities which was held at Paris the end of September. Round tables were conducted during two days of the convention on a number of interesting subjects, such as budget control and accounting systems, traffic regulation, problems of the city manager in a small city, employment of outside experts by the city manager, training for the city manager profession, and units costs for measuring the efficiency of city administration. Several topics of interest

were discussed at the general sessions. John N. Edy, city manager of Berkeley, Calif., spoke on the managerial functions of the manager. The civil service in manager cities was discussed by H. W. Marsh, secretary of the National Civil Service Reform League. Emily Kneubuhl, director of the City Manager League of Rochester, N. Y., spoke on selling the city manager plan to the people. Samuel C. May of the University of California outlined the progress of administration in European cities. Professor May has recently returned from Europe.

Power Commission of Three States Appointed.—A joint power commission has been appointed by the governors of New York, New Jersey and Pennsylvania to study the transmission and control of electric power in the three states and to report to the three governors. The New York members are: William A. Prendergast of New York, chairman of the public service commission; George R. Lunn, commissioner, of Schenectady; and Charles R. Vanneman of Albany, chief engineer of the commission. The New Jersey governor appointed Charles Browne of Princeton, member of the public utility commission of New Jersey; Isaac Alpern of Perth Amboy, president of the Perth Amboy Trust Company; and Robert F. Ingle of Beach Haven, former member of the state board of commerce and navigation. The Pennsylvania members are: Philip P. Wells, deputy attorney general and chairman of the Pennsylvania giant power board; Clyde L. King, secretary of the commonwealth; and Morris L. Cooke, consulting engineer and director of the Pennsylvania giant power survey.

This commission recently held an organization meeting at which Charles Browne was chosen chairman, William A. Prendergast, vice-chairman, and Philip P. Wells, secretary. It was decided at this meeting to ask the governors of Delaware, Maryland, Virginia, West Virginia, Connecticut and Massachusetts to appoint representatives to sit with the commission as observers and advisors on the attitude their states would be likely to take.

The commission plans to study the power development, transmission and regulation in these three states and to recommend legislation so that the states will be able to decide their course of action under the compact clause of the Constitution which gives the individual states the right to enter into compacts as to transportation among themselves, making it unnecessary that the question should come before the Interstate Commerce Commission. Super-power and its distribution in the three states is one of the main questions that is to receive attention by the commission.

The Municipal Official.—"Man that hath to do with the public business is of few days and full of trouble.

"He cometh forth in the morning with high hopes and ere the setting of the sun of that day he hath met with many reverses and continueth not.

"Yet, O Lord, have compassion on the children of Thy creation that have to do with the public business. Be present and administer them comfort in time of trouble, for they are in trouble most of the time."

It would be wise for every person to clip out this little bit of wisdom and save it. It is a good-natured rebuke for the many critics of municipal officials who know not whereof they speak.—*Emporia Gazette.*

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¶ The authors need no introduction to political scientists. Each is a member of the League's committee on state government and has shared in the committee's deliberations throughout.

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PUBLISHED BY THE

NATIONAL MUNICIPAL LEAGUE

RUMFORD BUILDING, CONCORD, N. H.

EDITORIAL OFFICE, 261 BROADWAY, NEW YORK, N. Y.

CHICAGO

THE NATIONAL MUNICIPAL REVIEW covers the field of government by means of articles, comment and news notes. It is sent to all members of the National Municipal League. Those who do not desire to become members of the League may subscribe to the REVIEW by paying five dollars a year in advance. Canada subscription rates $5.25 in advance; foreign $5.50. Checks should be made payable to the National Municipal League and mailed to 261 Broadway, New York, N. Y.

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Entered as second-class matter April 15, 1914, at the post-office at Concord, New Hampshire, under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Section 1103, Act of October 3, 1917, authorized December 24, 1920.

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